FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,890 Thursday March 27 1986 D 8523 B

UN squeezed by threats to budget, Page 6

World news

Boost for Reagan's Contra aid plan

PRESIDENT Ronald Reagan's chances of winning Congressional approval for fresh military aid to Nicaragua's anti-government Contra rebels appears to have improved, according to both Republican and Democrat leaders on Capitol Hill. This follows the latest reported incursion by Nicaraguan forces into Honduras.

With the Senate about to vote on the $100m Contra aid plan, the White House announced that the US had started air-lifting Honduran troops to the border to prevent new inroads by the Nicaraguans. Page 22, air-lift, Page 6

Marcos freeze

The Swiss Banking Commission extended to 150 Swiss banks the order to freeze the assets of deposed Philippines President Ferdinand Marcos and his family. The move coincided with the arrival in Berne of an envoy from the new Manila administration charged with recovering the Marcos money. Page 4

Gaza plan welcomed

Palestinian leaders on the West Bank and Gaza have given a cool welcome to draft proposals by the Israeli Labour Party to evacuate most of the Israeli-occupied territories in return for peace. The proposals will be voted on by a Labour Party convention next month.

Spanish gun battle

Spanish police arrested seven people, including two suspected Basque separatist militants, wounded in a gun battle in the northern city of Pamplona. Police believe they may have foiled a planned kidnapping.

Punjab deaths

Indian police in the northern state of Punjab shot dead nine Sikhs and wounded 22 when militants firing guns and waving swords attacked the state's Chief Minister Surjit Singh Barnala at a mass meeting.

Bonn in SDI accord

West Germany and the US have settled terms for German involvement in President Ronald Reagan's Star Wars space project and are expected to sign an agreement today.

Swedish strike fear

Sweden's white-collar trade union (PTK) threatened widespread strikes to back demands for a 7 per cent pay rise, defying calls for moderation from both employers and other unions.

NBC games deal

NBC Television signed a contract to pay $300m for sole US broadcasting rights for the 1988 summer Olympic Games in South Korea.

Waldheim accused

A Yugoslav newspaper published a document allegedly naming former UN General Secretary Kurt Waldheim as a war criminal wanted in connection with massacres and the shooting of hostages. Waldheim, who is running for the Austrian presidency, dismissed the accusations as absurd. Page 3

Beirut bomb kills 8

Eight people were killed and several injured when a car rigged with dynamite exploded in a crowded shopping area in Christian east Beirut.

Nissan depot gutted

Fire gutted a spare-parts depot owned by the Japanese vehicles group Nissan in Neuss, near Düsseldorf, West Germany, causing more than DM 42m ($18m) of damage.

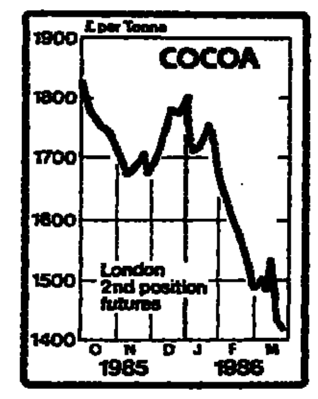
Sindona funeral

Jailed Sicilian financier Michele Sindona, who died last week from cyanide poisoning, was buried in a Milan funeral service ignored by former friends and top banking and political circles.

Business summary

Wall St. surges to record level

DOW JONES industrial average jumped 32.20 to a record closing level of 1,810.70. Lower US short-term interest rates optimism about inflation prospects and a cooling in the US/Libya conflict helped to inspire the round of buying. Page 44



COCOA futures market resumed its downward course as reports of producer selling brought a £23.50 fall in the May position to a 29-month low of £1,415. At one stage the price had been down by the £40 permissible limit. Page 36

WALL STREET: The Dow Jones industrial average closed 32.20 up at 1,810.70, a new high. Page 44

TOKYO: Bargain-hunting revived the climb to fresh peaks and the Nikkei average added 232.85 to close at a record 15,059.72. Page 44

LONDON: A revival of US support restored confidence and the FT Ordinary index closed 15.7 up at 1,380.4. The FT-SE 100 index added 20.1 to 1,653.9. Page 44

DOLLAR ended in New York at DM 2.330, SFr 1.9530, FFr 7.1680 and Y179.95. It was weaker in London, closing at DM 2.33 (DM 2.3385), SFr 1.955 (SFr 1.959), FFr 7.1675 (FFr 7.1725) and Y179.8 (Y180.2). On Bank of England figures the dollar's index fell to 119.5 from 119.7. Page 22; Page 37

STERLING ended in New York at $1.4780. It gained 1.3 cents against the dollar in London to $1.475 and rose to DM 3.4375 (DM 3.4175), SFr 2.8825 (SFr 2.865), FFr 10.5725 (FFr 10.4875) and Y265.25 (Y263.5). The pound's exchange rate index rose 0.6 to 76.0. Page 37

GOLD fell $2.125 on the London bullion market to $345.25 and was $7.30 lower in Zurich at $344.45. In New York the April Comex settlement was $344.70. Page 36

DRESDNER BANK, West Germany's second largest bank, is stepping up its dividend from DM 7.50 to DM 10 ($4.30) after making record operating earnings last year. Page 23

ITALIAN court ruled that the Minister of State Industry had no right to block Carlo De Benedetti's bid for a controlling stake in SME, the foods and supermarkets group. Page 23

AUSTRALIAN Supreme Court judge accused Robert Holmes à Court of "highly misleading if not deceptive" statements during his takeover bid for BHP. Page 25

MASSEY-FERGUSON, troubled Canadian farm equipment group, said shareholders had approved a sweeping reorganisation aimed at reducing debt and hiving off the loss-making combine harvester business. Page 23

VOLVO Board of the Swedish automotive and industrial group, backed the actions of Pehr Gyllenhammar, chairman and chief executive, who attracted criticism following the collapse of the company's planned co-operation deal with Fermenta. Page 23

The Financial Times will not be published tomorrow or on Monday because of the Easter holidays. The Saturday edition will be published as usual.

WE REGRET that North American closing prices are incomplete in this edition due to communication problems.

Mitterrand and Chirac clash on use of decrees

BY PAUL BETTS IN PARIS

PRESIDENT François Mitterrand and Mr Jacques Chirac, the new right-wing Prime Minister, clashed yesterday during the new French Government's first full Cabinet meeting over the administration's plans to push through a series of major reforms by decree.

Mr Mitterrand forced Mr Chirac to back down from plans to abolish by decree the rules which restrict French employers' rights to dismiss workers. The President made it clear that he would not sign such a decree.

He accepted, however, the use of decrees for the Government's proposals to ease the administrative and financial burdens of French companies adopting more flexible working hours, and denationalising certain state sector groups.

Mr Mitterrand warned the Government that he would only sign decrees for new social reforms if these "represented an advance over existing social benefits." He also issued notice he would not rubber-stamp the new Government's proposals and that he would only sign "a limited number" of decrees on "specific issues."

The new right-wing Government had said from the beginning that it would use decrees to pass reforms quickly, short circuiting the cumbersome and time-consuming parliamentary process. The Government, however, needs the President's signature to introduce new laws by decree.

Mr Alain Juppe, Budget Minister and official government spokesman, acknowledged after the Cabinet meeting that the "discussion had been frank." The Government would now introduce a conventional draft bill through Parliament on procedures for hiring and firing employees.

The new Government has argued that lifting the restrictions on dismissing workers would in fact encourage companies to hire more people. Indeed, this measure forms an integral part of the right's free-market economic policies aimed at "economic recovery and job creation."

By obliging the Government to resort to the normal parliamentary process to introduce this reform, Mr Mitterrand has won an important round in the novel French political experiment of power sharing between a Socialist President and a right-wing administration. Moreover, President Mitterrand plans to exercise his constitutional prerogative by addressing a message to the National Assembly when it gathers again on April 2.

The Cabinet clash between the President and the new Government also coincided with renewed speculation of a possible currency realignment in the European Monetary System over the Easter weekend. The French franc came under pressure yesterday over rumours of an imminent revaluation of the West German currency in the EMS.

Although officials in the French administration have so far indicated that there is no economic justification for a devaluation, the right had been expected before this month's elections to seek a currency realignment rapidly after the poll since such a move later could be politically damaging.

The Government set out the timetable for its programme at the Cabinet meeting yesterday, listing the principal measures it intends to introduce by decree and those by bills through Parliament.

The Government said it would introduce draft laws to revise the previous Government's 1986 budget and introduce measures to boost youth employment. The Government programme also includes as

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Belgium set to enact economic measures

BY PAUL CHEESERIGHT IN BRUSSELS

THE BELGIAN Government was yesterday given the final go-ahead to introduce a tough package of austerity measures when the senate passed a bill granting it the right to rule by decree on budget matters for the next 12 months.

A dozen decrees are awaiting final cabinet decision, including:

- A measure to hold back wage rises by removing the first two percentage points of any increase due under the wage indexation system, with the savings to the employer being passed back to the Government.
- A BFr 10bn ($210.5m) reduction in education spending, one of the largest elements in the national budget.

The Government has been preoccupied this year with winning special powers to give it the freedom it enjoyed between 1982 and 1984. This has led to an impression of inertia which has been reflected this week in opinion polls marking a distinct loss of confidence in popular opinion.

The Christian Democrat and liberal coalition increased its majority in a general election last October.

The first measures to be taken under decree essentially consolidate or continue policies already in effect. The wage restraint measures are an extension of those in force in 1984 and 1985.

These measures are being introduced despite lower world oil prices and reduced interest rates which would themselves cut the public sector deficit.

Key decisions affecting the future of the Government and the movement of the economy will be taken after Easter, when the Cabinet will retreat to a château and work out how to slice BFr 200bn from the public financing deficit so that by the end of next year the deficit will account for 8 per cent of GNP, instead of the present 12 per cent.

Also, it will attempt to determine the future of the loss-making but politically highly charged coal mines in the Flemish province of Limburg, now that funds for regional subsidies approach exhaustion. Settlement on a new decree for encouraging equity investment will also be sought.

Figures published yesterday show that the official deficit, despite four years of economy measures, is causing renewed concern.

Notwithstanding lower interest rates, it was BFr 1bn more at the end of February than at the same time last year, reaching for the year so far BFr 183.9bn.

Many die in S. Africa violence

BY JIM JONES IN JOHANNESBURG

AT LEAST 21 people were reported killed yesterday in South Africa in one of the worst days of violence since the start of this year. The violence has dashed any remaining belief that the lifting of the state of emergency four weeks ago signalled a return to normality for the country.

In Winterveld, just north of Pretoria, at least seven people were killed and dozens injured yesterday morning when Bophuthatswana police opened fire on a large crowd. About 1,000 people were arrested.

Winterveld is part of the so-called independent homeland of Bophuthatswana, and its residents are largely employed in Pretoria and nearby industrial areas. They have been involved in the black boycott of white Pretoria shops.

In the Kwazakele township near Port Elizabeth eight people were shot dead by police yesterday morning when a crowd of more than 100 attacked a liquor store which had been gutted earlier.

In the Crossroads squatter camp near Cape Town, where two policemen had been killed only a day before, two youths were shot dead late on Tuesday evening during a stone-throwing attack on a police car. In Kagiso, a township west of Johannesburg, a youth was shot dead by a guard who fired at a crowd which had petrol-bombed a beer hall.

The majority of deaths occur as the black insurrection pits itself against the security forces and the symbols of white authority, but the tally of deaths of black South Africans who are not part of the nationwide protest also continues to mount.

Yesterday, a 40-year-old man and a 16-year-old schoolgirl were found burned to death, apparently for failing to participate in functions in Port Elizabeth's Adelaide township last Friday commemorating the first anniversary of the Langa shootings. In the Chesterville township near Durban, a man died when he was "necklaced" by having a blazing tyre placed around his neck.

- Four South Africans have won legal actions to have their banning orders overturned, but fear that the Minister of Law and Order, Mr Louis Le Grange, who has been ordered to pay the costs of the court applications, will soon reimpose the bans.

Banning orders, which severely restrict individuals' rights of abode, employment and association, have been used by South Africa's ruling National Party for over 30 years to silence opponents without trial.

Bannings are by ministerial decree and, until last week when an order was successfully challenged by Mr Mkuseli Jack, a leader of the United Democratic Front (UDF), they could be imposed without any reason being given. A banned person's right of legal appeal was also severely limited.

The men whose banning orders were quashed are: Mr Rowley Arenstein, who has been banned for more than 30 years; Mr Henry Fazzie, a leader of the UDF in the Eastern Cape, who was banned just over a week ago; Mr Johnny Issel, a Cape Town community leader banned in 1983; and Mr Trevor Manuel, a Cape Town leader of the UDF, banned for five years last November.

The successful legal challenges to the principle of banning orders represent a major dilemma for the Government. It has regularly claimed that the South African judiciary is independent of government, but legal observers in South Africa point out that if Mr Le Grange reimposes the orders, it will represent a major erosion of the judiciary's independence

Irish ban fruit imports, Page 3

Security Council in talks on US conflict with Libya

By Reginald Dale in Washington and Our Foreign Staff

THE UNITED NATIONS Security Council agreed to meet last night to discuss the US-Libyan clashes off the Libyan coast while US air and naval forces continued to operate unchallenged in the disputed Gulf of Sirte.

There had been no further hostilities since Monday's unsuccessful Libyan missile attack on American aircraft and the two US retaliatory sorties completed on Tuesday, the White House said.

Pentagon officials continued to hint that the 30-ship manoeuvres could be ended early, possibly as soon as today, if Libya continued to refrain from military action. The White House, however, said that no decision had yet been taken on when to finish the exercise, originally due to last until next Tuesday.

The White House had no immediate reaction to a proposal by Mr Mikhail Gorbachev, the Soviet leader, to withdraw the Soviet fleet from the Mediterranean if the US would do likewise. The US was not, however, expected to give such an idea serious consideration.

Mr Gorbachev's proposal came in a Kremlin speech for visiting President Benjedid Chadli of Algeria, in which he also called for a regional Mediterranean conference similar to the 1975 European Security and Co-operation Conference in Helsinki. He said that the US had shown its "imperial bandit face" in this week's clash with Libya.

In the US, on the other hand, an opinion poll conducted by the newspaper USA Today showed just over two thirds of Americans (67 per cent) backing the retaliation against Libya, even though no American aircraft were damaged by the Libya attack.

A State Department spokesman said that US embassies around the world had been alerted to guard against attack. Asked how the US would respond, he said: "Gadaffi must keep in mind the long-standing US position that we have a wide variety of options and assets we can legitimately use as we deem appropriate to the circumstances."

Pentagon officials said that a decision whether to end the manoeuvres today would depend on what happened in the Gulf yesterday and overnight. The Libyans "have to understand that there cannot be a perception of anybody driving us out," said one official.

The Pentagon said yesterday that

Continued on Page 22

Arab reaction, Page 4

Tough curbs on advertising in UK bids

BY CHARLES BATCHELOR IN LONDON

LONDON'S Takeover Panel, the self-regulatory body which oversees British bids, yesterday announced a tough new code to control the increasingly aggressive tone of many of the advertisements used in the wave of takeover battles which has swept UK markets in recent months.

The panel's move could pose a serious threat to one of the most buoyant sectors of the British advertising industry. Takeover advertising is estimated to have contributed some £12m ($18m) to the revenue of UK national newspapers in the past three months.

The new rules are intended to prevent companies engaged in takeover battles from denigrating their rivals or making an unfair use of statistics to back their arguments.

From April 7 all advertisements in newspapers and on radio and television which do not fall into one of eight "exempt categories" will be banned.

These categories comprise product or corporate image advertising not related to a bid, although it may run while a bid battle is being fought, and non-controversial advertisements reminding shareholders of the value of an offer or announcements of results.

They also include notices required by the London Stock Exchange or relating to tender offers and court-approved reorganisations. The final exemption applies to advertisements having specific panel approval, aimed for example at informing shareholders during, for example, a postal strike.

If a company ignores the panel's new rules there is little the panel, as a self-regulatory body, can do.

Increasingly aggressive takeover tactics have fuelled opinion that the panel might have to be replaced by a body backed by statute. At present the panel depends on a consensus within the City of London for its measures to be effective. It consulted City organisations before introducing the new rules. In recent months, however, many bid rivals have taken their disputes to court, over the head of the panel.

The panel said that its traditional line of expecting advertisements to conform to the same standards as offer prospectuses was no longer adequate and more restrictive rules were now needed.

The advertising industry reacted strongly to the panel's move, claiming that while a clean-up was necessary the measures proposed went too far and would prevent normally acceptable forms of advertising.

But depending on how strictly the panel polices its new code, much of the advertising spending now going on "knocking copy" could eventually be redirected into more general product or image advertising which would be acceptable to the panel, advertising executives said.

Lex, Page 22

London SE joins ADR-tax critics

BY ALEXANDER NICOLL IN LONDON

THE LONDON Stock Exchange yesterday joined the growing chorus of opposition to the British Government's imposition of a 5 per cent tax on conversion of UK shares into American Depositary Receipts (ADRs).

"If London seeks to establish a reputation as an international financial centre it will not achieve it by erecting barriers such as this," the exchange's international markets committee said. "We hope therefore that the Government will reconsider this aspect of its proposals."

The exchange's view parallels that of leading corporate treasurers who announced after a meeting yesterday that they would make representations in the next few days and try to persuade Mr Nigel Lawson, the Chancellor of the Exchequer, to drop the tax before the Finance Bill is published. Mr Lawson announced the 5 per cent tax in last week's budget.

Their companies, including British Telecom, Imperial Chemical Industries and Jaguar, are among those which had ADRs actively traded in New York until Mr Lawson's move. ADRs are certificates showing that shares have been deposited in a bank, and are treated legally as US securities. A large proportion of share trading in some UK companies has moved to the New York market in the past few years.

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EUROPEAN NEWS

Czechoslovakia urged to reform cautiously

BY LESLIE COLITT IN PRAGUE

CZECHOSLOVAKIA has had enough of "economic romanticism" and wants to get "back to earth," Mr Svatopluk Potac, the country's planning minister, told the Communist Party Congress yesterday.

The self-critical remark came a month after Mr Mikhail Gorbachev outlined his new economic strategy to the Soviet Communist Party Congress.

The "old mechanisms" of planning and management, Mr Potac noted, had not been "sufficiently effective."

This was rather less harsh than Mr Gorbachev's condemnation of economic policies under the late Mr Leonid Brezhnev. It reflected the main problem for Prague's economic officials: proclaiming a new economic policy without wholly blaming the old one for the country's ills.

"We can't throw out the baby with the bath water," said one Prague official. He was explaining why Czechoslovakia would not engage in any Gorbachev-like mass di missal of its senior economic officials.

The cautionary note was continued by Mr Rudolf Rohlicek, Deputy Prime Minister responsible for the economy, in remarks to journalists yesterday.

He said during the last five-year plan — which fell well short of its goals — Czechoslovakia had ucceeded in making the dynamics of economic development "more dynamic." One had to respect the results achieved over the last 18 years "since the period of the crisis." The reference was to the "reform communism" of the 1968 Prague Spring.

He said the measures the Czechoslovak leadership would adopt were not so much a question of "radical changes" as essential qualitative ones. Earlier this week, Mr Gustav Husak, the Czechoslovak party leader and president, spoke of the need for a "radical" improvement in management in his keynote address to the Congress.

Mr Rohlicek emphasised that the leadership wanted to get away from "administered, over-bureaucratic planning" and replace it with "basic, strategic planning." This sounded a bit more like Mr Gorbachev. The senior Czechoslovak official also noted that greater weight would be shifted to those who would implement planning, the producers. Answering a question from a Western journalist, however, he added that the leadership did not understand company autonomy in an "absolute way."

EEC will pay more for sugar

By Ivo Dawnay in Brussels

SUGAR producing members of the African, Caribbean and Pacific (ACP) trading group have won a small but potentially significant price increase from the EEC.

The victory came when the Community's farm ministers finally agreed on Tuesday night to raise the price rise for the 1.3m tonne ACP export quota of sugar, paid at the EEC's artificially high rates. The new price will have parity with the 1.3 per cent increase allowed to European beet growers.

The rise represents only a 0.15 per cent improvement on the original offer made last year. It will also be valid only until July.

Nevertheless, although only some $817,000 was at stake, the increase has a significance well beyond its value.

First, it means that the ACP has achieved its long-held goal of equalling the price paid for raw cane sugar and beet – a move which may cost the EEC substantially more in the future.

Second, it provides some justification for the prodigious lobbying by the ACP which objected strongly to the arbitrary imposition of a price when the Sugar Protocol between the two trading blocks demands a full negotiation.

The agreement came after Mr Michael Jopling, the UK Agriculture Minister, accepted an undertaking that cane sugar buyers would be able to purchase their supplies at prefixed price levels.

In addition, the deal allows for a review of raw sugar regulations.

Commodities, Page 34

Spanish parties study Nato vote for general election clues

WITH THEIR eyes on a general election due by October, Spanish politicians are quickly taking stock of a referendum that sealed Spain's continued Nato membership after a bitter and divisive campaign, Reuter reports from Madrid.

For Socialist Prime Minister Felipe González, who staked his prestige on the ballot and won a pro-Nato majority of 52.5 per cent of votes cast, the question is whether the fall-out from the campaign and four years of tough economic policies may threaten his absolute parliamentary majority.

His referendum opponents – Communists, pacifists and extreme left-wingers – are discussing the possibility of an electoral alliance to bridge the gap between their impressive showing in the poll and the meagre five seats that anti-Nato forces hold in parliament.

A loose coalition of those groups campaigned passionately for withdrawal from the Western alliance and polled 38.9 per cent in the referendum on March 12.

On the other side of the political spectrum, the main right-wing opposition Popular Coalition (CP) is trying to persuade its pro-Nato electorate that the real winner of the poll was its call for abstention. Some 40.4 per cent of registered voters abstained.

The CP urged that policy despite the warnings of its main financial backers and sister European parties.

With the traditionally anti-Nato ruling party defending the "yes" vote and Nato's staunchest supporters calling for abstention, the campaign was marked by confusion and political bickering that overshadowed the main issue.

Prime Minister Felipe González: low-key response

Opposition forces called on the electorate to seize the opportunity to punish Mr González for his failure to stem unemployment – running at 21 per cent, the highest rate in Western Europe – despite an electoral promise to create 800,000 jobs.

Mr González, faced with worrying opinion polls in the referendum run-up, said: "Save your punishment vote for the elections."

His switch to a pro-Alliance stance after winning the 1982 general election on an anti-Nato platform created tensions within his own party. Key sectors such as its union arm refused to take part in the referendum campaign.

Now, with that poll safely behind him, Mr González appears to have settled for a low-key approach to repair the damage.

The Socialist executive discussed the result without heeding calls for a purge of its left-wing factions, some of whose leaders reaffirmed anti-Nato views in the campaign.

After addressing Spaniards daily on television in the campaign's final leg, Mr González has returned to his usual low visibility without making triumphal statements.

Opinion polls indicate that the Government will win re-election comfortably. Bright prospects have been opened by rising consumer demand, lower oil prices and Spain's accession to the European Community in January.

Mr Carlos Solchaga, the Economy Minister, has taken cautious steps to liberalise the economy while resisting pressures to do away with his tough anti-inflationary and industrial policies.

The Communists, who have split twice since they lost 19 of their 23 seats in the 1982 elections, see the referendum aftermath as an opportunity to mend internal rifts and as proof that there is room for a major left-wing force.

"For the first time in years the conditions are ripe for uniting the left-wing forces that demand an alternative to González's conservative policies, Mr Gerardo Iglesias, leader of the mainstream Spanish Communist Party (PCE), told reporters.

But he faces tough unity negotiations with a breakaway faction headed by his former mentor Mr Santiago Carrillo and a pro-Soviet party created by Mr Ignacio Gallego.

The three factions are also wooing pacifist and extreme left-wing groups, hoping the loose alliance that supported the "no" vote can be turned into a viable force.

Solidarity study shows low paid getting poorer

By Christopher Bobinski in Warsaw

A GROWING impoverishment of low paid groups in Poland is suggested by cost of living research undertaken by the clandestine Solidarity movement.

This reveals that prices of basic goods and services purchased by lower income industrial workers rose by 37 per cent between December 1984 and December last year.

This figure compares to the national average of 15 per cent cost of living increase reported by the Government for all income groups and all categories of goods in 1985. Incomes, however, grew by 18 per cent over the year.

The solidarity research is being co-ordinated by a "network" made up of representatives of underground groups in five major factories including the giant Katowice steelworks, the WSK Swidnik engineering works in eastern Poland and the Ursus tractor plant near Warsaw.

The research which will be continued comes against a background of government predictions of double-figure inflation till 1990 and scant hope that the situation will change after that.

As Polish membership of the International Monetary Fund approaches, the Solidarity findings are designed to counter expected IMF austerity programmes.

"We want to try to stop Poland going the way of Romania where almost everything is being sold abroad and internal consumption reduced to a minimum to bring down the foreign debt," a "network" representative says.

Solidarity research has concentrated on the lower income groups because as 60 per cent of spending goes on food, tracking the cost of living is simplest.

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EUROPEAN NEWS

EEC inflation cut by price falls in France, Germany

BY QUENTIN PEEL IN BRUSSELS

CONSUMER PRICES in the EEC increased by a fractional 0.1 per cent in February, thanks to declines in the price level in several member states including France and West Germany.

The annual average consumer price rise fell to 4.7 per cent over the previous 12 months for the Community as a whole, with West Germany enjoying the lowest rate of 0.7 per cent, and Greece the highest on 24.4 per cent.

UK inflation is still well above the average, with prices still rising 0.4 per cent in February, in spite of the oil price decline, and 5.1 per cent over the previous 12 months. Of the major EEC economies, only Italy did worse with 0.7 per cent for the month and 7.7 per cent for the year.

The different inflation figures underline the successful performance of those economies whose currencies are full members of the European Monetary System, unlike sterling. The annual rate in France is down to 3.5 per cent, according to the Eurostat figures published by the European Commission, and Ireland is down to 4.6 per cent, while the Benelux countries range from 1.3 per cent in the Netherlands to 2.5 per cent in Belgium.

Other comparative economic statistics issued by the Commission yesterday show seasonally adjusted unemployment falling from 11.1 per cent to 11 per cent between November and December for the nine member states excluding Greece, Spain and Portugal. Biggest improvements were registered in Denmark (down to 7.7 per cent), West Germany (at 8.3 per cent)

Greek bases key to US Mediterranean strategy

US BASES in Greece, high on the agenda in talks being held in Greece by Mr George Shultz, US Secretary of State, help the US to monitor Soviet military moves in the eastern Mediterranean and guard the Aegean Sea, Reuter reports from Athens.

A study prepared for the US Congress, says the most important base is Souda Bay on the north coast of Crete.

The complex has an anchorage nearly big enough to accommodate the whole Sixth Fleet and an "excellent airfield" nearby that can be used by navy and air force fighters as well as transport aircraft, the study says.

The future of the bases is expected to be the key topic in the talks between Mr Shultz, who arrived on Tuesday for a four-day visit, and Greece's Socialist Government.

Prime Minister Andreas Papandreou, who came to power in 1981 with a pledge to shut the bases, reached an agreement two months later allowing them to stay until 1990.

He interprets the 1983 accord as meaning the bases must close between 1988 and 1990, but US officials say closure is allowed for only as a possibility.

The Greek and English texts of the agreement differ on this point.

US diplomats say it would be expensive and difficult but not impossible to remove the bases.

Also on Crete is Iraklion Air Station, which has a "sophisticated collecting station" for electronic surveillance of Soviet moves in the east Mediterranean and other activities of interest to US planners, the study says.

Adjacent to Athens Airport is Hellenikon air base, described as an important staging point with servicing facilities for the US Air Force.

Aircraft leave from there to conduct electronic reconnaissance missions, the study says.

The fourth big base is a communications complex at Nea Makri, on the coast about 50km (30 miles) north of Athens.

At least 20 minor US facilities are dotted around Greece. The Greek Government also says some US nuclear warheads are stored in the country, although many have been removed.

The Government, citing a clause in the 1983 agreement which says the bases are for "defence purposes" only, maintains that they may not be used against countries friendly to Greece, a category in which it includes Libya.

Mr Papandreou says that except for part of the Souda Bay complex — a missile-firing range and a depot which come under the aegis of Nato — the bases serve exclusively US military interests and not those of the alliance.

Swedish employers to lock out 300,000

By Kevin Done in Stockholm

SWEDEN IS threatended by large-scale industrial conflict following yesterday's decision by FAF, the Swedish employers' federation, to impose a lock-out of more than 300,000 white collar workers chiefly in industry and the transport sector from Wednesday, April 9.

The threat of a lock-out follows the breakdown of negotiations betwen FAF and PTK, the white collar workers' trade union confederation.

PTK has imposed an immediate overtime ban by around 350,000 private sector white collar workers and the overtime ban will spread to a further 140,000 white collar workers in the engineering industry next Thursday, April 3.

PTK also issued yesterday the compulsory two weeks' warning that around 20,000 white collar workers at more than 50 industrial corporations would come out on strike from Tuesday, April 8.

The strike would hit most of Sweden's leading industrial corporations including Volvo, Asea, Electrolux, Saab Scania, SKF and Ericsson.

The employers' decision to confront PTK with a widespread lock-out has been forced by the fact that the unions were planning to take out on strike a relatively small number of key personnel in a string of companies which would have had the effect of paralysing large parts of Swedish industry.

Mr Olof Ljunggren, director of FAF, said: "There is no other measure we can take than a big lock-out if we are to achieve the aim of making the conflict as short-lived as possible."

The conflict in the white collar sector is the first major industrial dispute to break out in this year's wage round in Sweden. PTK claims that it is seeking pay increases totalling around 7 per cent, but the employers estimate that the demand would increase labour costs by more than 10 per cent.

Dutch GDP flat

The Netherlands' gross domestic product was flat in the third quarter of 1985 compared with the second quarter, according to seasonally adjusted figures from the Central Bureau of Statistics, Laura Raun reports from Amsterdam. This followed a 3 per cent rise in the second quarter.

Irish to ban S. Africa fruit imports

BY HUGH CARNEGY IN DUBLIN

IRELAND is to ban imports of South African fruit and vegetables from the beginning of next year, the first European community country to take such a step.

The Government announced yesterday that the ban—to be phased in gradually from October 1 in an effort to limit damage to Irish companies involved in the trade—had been arranged to conform with rules under the General Agreement on Tariffs and Trade (Gatt).

Government spokesmen admitted that the ban had been introduced in large measure in response to a year-long strike by a small group of supermarket workers in Dublin who drew huge public attention and sympathy over their attempts to get South African goods boycotted. They gave up the strike at Christmas when the Government said it was considering a ban.

From October 1 Irish importers can apply to the Ministry of Agriculture for licences on a shipment-by-shipment basis to import South African goods if they have been regular importers from South Africa for three years and if they can show they could not secure alternative supplies.

From January 1 next year no more licences will be granted unless importers can prove to the ministry that the system of prison labour in South Africa has been abolished.

It is this provision that Irish officials believe makes the move legitimate under Gatt rules. The Government says it has established that prison labour is used in South Africa in the production and harvest of fruit and vegetables.

Officials in Dublin said Norway and Sweden had introduced similar bans and so far South Africa had neither taken reciprocal trade sanctions against them, nor had it moved to sue them for breach of Gatt rules.

Irish exports to South Africa, comprised largely of electronic goods, are worth some I£40m (£35m) a year compared with imports of I£20m. Fruit and vegetables make up the biggest import item.

Oslo to share removal costs of N. Sea rigs

By Fay Gjester in Oslo

NORWAY'S GOVERNMENT has ruled that the state must share with oil companies the cost of removing offshore platforms from the country's continental shelf once fields have been drained and the platform's useful life is over. A law detailing how the bill should be split has received parliamentary approval.

Its provisions are complex—so much so that one MP admitted afterwards he did not understand every paragraph. The basic concept is, however, that the oil company's contribution should not be directly tax deductible. Instead it should be related to the amount of tax each company has already paid over the life of the field concerned and the state will pay the rest.

One solution to financing platform removal would have been to let the oil companies set aside cash—tax deductible—in a clean up fund. The Norwegians decided it would be difficult to calculate the amount that could be fairly allocated to such a tax-sheltered fund.

Petroleum taxes are so high in Norway that anything qualifying for a tax deduction is largely paid for by the state anyway. By making the state directly liable for a share of platform removal costs Oslo will have a greater say about what proportion of the cost should be covered by the oil companies in each case (depending on the individual firm's taxation and income situation).

Spanish trains halted

Spanish railways were brought almost to a standstill yesterday in spite of a split among trade unions over whether to go ahead with the 24-hour strike, David White reports from Madrid.

USA Today to print in Europe

BY RAYMOND SNODDY

USA TODAY, America's only general interest national newspaper, is to begin printing in Europe in May. The international edition of the newspaper will be sent to Europe by satellite and printed in Switzerland.

Mr David Mazzarella, president of USA Today International, says the introduction of European printing will mean the paper will be available for early-morning delivery in most European capitals.

The arrival of USA Today by satellite will intensify the battle for the pan-European newspaper market already being contested by the International Herald Tribune, the Financial Times and the Wall Street Journal.

Since July 1984 the international edition of USA Today has been printed in New York and flown across the Atlantic for distribution in more than 30 countries in Europe, the Middle East and North Africa.

Ringier of Zurich will print the edition at its offset printing centre at Adligenswil near Lucerne.

Switzerland will be the newspaper's second printing site outside the US. Since last October editions have been transmitted to Singapore to serve the Pacific region. USA Today which was launched by Gannett, the US newspaper and information group in 1982 and claims a daily paid for circulation of more than 1.4m with distribution in all 50 US states.

The latest circulation figures for the paper in Europe shows sales at more than 15,500.

When printing begins in Switzerland the paper will be in London in time for normal home deliveries.

Gibraltar hard line over airport

BY JOSEPH GARCIA IN GIBRALTAR

GIBRALTAR wants to have the last word on a possible deal over the joint use of its airport with Spain, currently the subject of technical talks between British and Spanish officials.

Gibraltar MPs have unanimously voted for a motion which, in effect, seeks the right of the House of Assembly to veto any deal which they interpret as being an encroachment on British sovereignty over the isthmus where Britain built the airport during World War II.

The Spanish view is that the Isthmus was not ceded to Britain under the Treaty of Utrecht of 1713 which is Britain's legal title to the rock. In technical talks with Britain, the Spanish Government has been seeking special rights over the airport before allowing a resumption of flights between Madrid and Gibraltar.

The Spaniards want passengers arriving at Gibraltar from Madrid to be treated as if they were flying within Spain, waiving immigration and customs controls. When Spain was refused the joint use of the airport, it proposed building a second terminal, on the Spanish side of the Isthmus.

Sir Joshua Hassan, the Chief Minister, said yesterday, that he is opposed to concessions on sovereignty. Britain, he added, sees sovereignty over Gibraltar, including the Isthmus, as being indivisible.

Shultz offers carrot to Athens

BY ANDRIANA IERODIACONOU IN ATHENS

MR GEORGE SHULTZ, the US Secretary of State, in Athens to try to determine the Greek Socialist Government's willingness to extend the tenure of the four U Smilitary bases here beyond 1988, yesterday held out increased American investments and tourism in Greece as a reward for progress in Greek-US political relations.

"There should be room for increased American investment in your country. The overall state of US-Greek relations has an immediate effect upon our joint economic progress. Predictability, stability, and forward-movement in the relationship as a whole will inevitably bring about gains in areas such as investment, tourism, and the transfer of information and technology."

The Secretary of State is expected to discuss the bases in a meeting with Dr Andreas Papandreou, the Greek Prime Minister, today.

Waldheim war file found in Yugoslavia

By Aleksander Lebl in Belgrade

A Belgrade daily, Vecernje Novosti, discovered in the federal achives that Dr Kurt Waldheim has been on the Yugoslav wanted list of war criminals. His file, No. F-25572, says that Lt Kurt Waldheim, an Abwehr (military counterintelligence) member serving in the IC department of the general staff of the army Group E from April 1944 to the capitulation of Germany, participated in issuing orders for retaliation against hostages, prisoners of war and civilian population. He was in charge of preparing orders for his superior, Col Warnsdorf.

The file was established on December 18 1947 on the basis of testimony of Johann Mayer, who served with him.

What the Belgrade paper dug out could be embarassing to the Yugoslav authorities, which have been ignoring their own files. They voted for Dr Waldheim as secretary general of the UN and warmly received him on several occasions in that capacity. Asked for comment by the newspaper's article, Dr Waldheim said that he knew that Yugoslavia named all Wehrmacht officers war criminals but that he did nothing wrong in Yugoslavia.

Reuter adds from Vienna: Political temperatures soared in Austria yesterday over the document. The opposition conservative People's Party, which supports Mr Waldheim in presidential elections on May 4, spoke of "infamous calumny" and foreign meddling in Austrian affairs which threatened the country's sovereignty.

Mr Josef Cap, member of parliament for the senior coalition Socialist Party, said Mr Waldheim was unacceptable as a head of state and called on him to withdraw his candidacy.

Star Wars accord

The US and West Germany have settled terms for German involvement in President Reagan's Star Wars space defence project and are expected to sign an agreement today, the Bonn government said yesterday, Reuter reports.

Danish deficit widens

Denmark's trade deficit continued to increase in February, despite a substantial reduction in the cost of oil imports, Hilary Barnes writes from Copenhagen. With imports at NKr 15.69bn (£1.25bn) (NKr 15.85bn in February 1985) and exports at NKr 13.96bn (NKr 14.89bn), the trade gap widened from NKr 961m last year to NKr 1.73bn.

OVERSEAS NEWS

Aquino political reforms rejected by assemblymen

BY SAMUEL SENOREN IN MANILA

PHILIPPINE President Corazon Aquino is facing a crucial test on whether she can hold her nation together one month after taking power after proclaiming a highly controversial interim constitution that gives her full powers to make laws.

About a third of the 183-member parliament which she abolished on Tuesday planned yesterday to defy her proclamation and continue enacting laws at the risk of being put in jail.

Some of those who are opposed to the interim constitution were among Mrs Aquino's closest advisers in the presidential election last month.

Former followers of deposed President Ferdinand Marcos in the once powerful New Society Movement said Mrs Aquino's proclamation was "void and without force," and that she had no power to write her own constitution.

The assemblymen, whom Mrs Aquino accused of cheating the people's will and falsely proclaiming Mr Marcos winner of the February 7 poll, described the interim constitution as a Magna Carta of enslavement "betraying the nation's democratic heritage."

They are to meet again next week to decide on how to deal with the Aquino Government.

Mrs Aquino has also been beseiged with calls from local governors and mayors who are protesting their removal from office without an election.

The local officials have asked the Supreme Court to stop Mrs Aquino's Government replacing them with her supporters unless elections are called. These are not expected to be called until after a new constitution is completed and approved by the people in a plebiscite within a year.

Another issue confronting the Aquino Government is a strike by 22,000 Filipino civilian employees at the US Clark Air Base and Subic Naval Base, now in its sixth day.

Swiss extend order to freeze Marcos assets

BY WILLIAM DULLFORCE IN GENEVA

THE SWISS Banking Commission yesterday extended to about 150 Swiss banks the order to freeze the assets of Mr Ferdinand Marcos, the deposed Philippines president, and his family. Instructions had originally been issued by the Government to six big Swiss banks

The move by the Commission, the official banking controlling authority, came as Mr Pedro Yap, an envoy from the new Philippines administration, started to discuss with Foreign and Justice Ministry officials the legal measures to be taken to recover funds which Mr Marcos is alleged to have acquired illegally and placed with Swiss banks.

The first step must be for the Philippine Government to place criminal charges against Mr Marcos. Under Swiss law it can only ask the Swiss authorities for help in acquiring information from the banks—if it can show that it has a case against Mr Marcos that would constitute a contravention of the Swiss criminal code.

Mr Yap said he had handed documents to Swiss officials yesterday showing the existence of funds belonging to the Marcos family in Swiss banks.

Swiss bankers were still annoyed yesterday about the Government order to six banks on Monday to freeze Marcos' assets, which they regarded as an extraordinary and unwarranted political move. They appeared to be more willing to accept the Banking Commission's right to order a freeze.

"The freeze can only be for a limited period and the Philippine government will have to produce its evidence quickly," a spokesman for Credit Suisse, one of the banks named in Washington reports, said.

Samuel Senaren adds: President Corazon Aquino's Government will file criminal charges in Philippine courts against Mr Marcos in an attempt to legally seize his properties and bank accounts abroad.

NZ party leader ousted

BY DAI HAYWARD IN WELLINGTON

MR JIM MCLAY, leader of New Zealand's opposition National Party, was ousted and replaced yesterday by his deputy Mr Jim Bolger.

The move to have a leadership vote came as a surprise to Mr Mclay and his supporters who learnt of it only an hour before MPs gathered for their weekly caucus meeting.

One of those who helped sway MPs not committed to either Mr Mclay or Mr Bolger was former leader Sir Robert Muldoon. Mr Mclay took over from him 15 months ago.

Since then Sir Robert has been a persistent critic of Mr Mclay's leadership, his inability to seize the initiative in parliament and his continued low rating in the public opinion polls.

Mr Bolger, an aggressive debater and a former Minister of Labour under Sir Robert, is a farmer. During the past month he has played a major role encouraging farmers to publicly demonstrate and protest against the Labour Government's economic policies.

SIA order for new Boeings worth $3bn

By Michael Donne, Aerospace Correspondent, in London

BOEING of the US has won one of its biggest jet airliner orders yet, with a deal from Singapore Airlines (SIA) for 14 of the new 747 Series 400 long-range Jumbo jets, with another six on option, worth in all about $3.3bn including spares.

The formal confirmation of the deal has already been announced in Singapore. It is expected to be followed soon by some further major orders for the long-range Series 400 Jumbo from such airlines as KLM of the Netherlands.

Several other airlines, including British Airways, Air New Zealand and Qantas of Australia, are understood to be interested in this aircraft.

The Singapore Airlines order is one of the biggest received by Boeing for some time.

Earlier major deals included that signed with United Air Lines of the US late last year for 110 Boeing 737-300s and six 747s worth in all $3.1bn, and the Northwest Airlines (US) deal for 10 747-400s (the launch order for that aircraft) with 10 757s, worth more than $2bn.

Singapore Airlines has yet to settle which engines will power the 747-400s it is buying. A major battle is in prospect between Pratt & Whitney (US) with its PW-4000, US General Electric, which makes the CF6-80C2, and Rolls-Royce which produces the RB-211-524D4D. Pratt & Whitney is SIA's current principal engine supplier.

Eight of the new 747-400s will be used to roll-over, on a one-for-one basis, the same number of older 747-200s in SIA's fleet, which Boeing is committed to buy back. The remaining six are wanted in anticipation of future growth, especially in the Asia-Pacific region.

Singapore Airlines is also considering the purchase of more twin-engined aircraft to supplement its existing four Boeing 757s and six Airbus A-310s. A decision is expected later this year.

SIA's existing Jumbo jet fleet of 12 747-300s and nine 747-200s is the largest in Asia outside Japan. By 1993, it will have 28 Jumbo jets, 14 747-400s, and 14 747-300s, all with stretched upper decks.

SIA wants the 747-400 in order to offer customers daily non-stop flights each way between Singapore and London all year round, in all-weather conditions.

The 747-400, which has an 8,000-mile range, will also be able to fly non-stop from Taipei to Los Angeles, and from Hong Kong to San Francisco, with a maximum payload for most of the year (depending on weather conditions).

Roger Matthews looks at international reaction to the US action against Libya

Arab newspapers denounce Rambo Reagan

NEWSPAPERS throughout the Arab world yesterday unleashed bitter attacks on the US for its military involvement against Libya in the Gulf of Sirte while Arab governments maintained a much more carefully balanced reaction.

Elsewhere there was a general tightening of security, particularly in Western Europe, in anticipation of possible terrorist attacks.

Some of the most virulent Arab criticism of the US appeared in countries generally considered to be sympathetic to Washington. The English language Jordan Times accused President Ronald Reagan of deliberately picking a fight with Col Muammer Gadaffi, the Libyan leader, "and by so doing making him more of a hero in his own country and in the Arab world."

In Bahrain, the US action was described as premeditated aggression, while the Gulf Times in neighbouring Qatar said that "Reagan's Libyan folly may delight some screwballs servile to him. Long term consequences, however, will be regrettable."

The Gulf Times added that anti-American sentiment "will swell around the world." It said that history "will pass a damning verdict on the Rambo of the White House."

Iran yesterday followed its pledges of support for Libya with vigorous condemnation of "US arrogance in the Middle East" and warnings to Saudi Arabia that it would face mounting political pressure over its refusal to reduce its oil production levels, writes Roger Matthews.

Dr Kamal Kharazi, a member of Iran's Supreme Defence Council and head of the war information headquarters, said during a brief visit to London that the collapse in oil prices was an obvious conspiracy aimed at the Islamic Republic.

But he warned that the loss of revenues would hurt all the producers in the Gulf and the Iranian people would prove to be much more tolerant to economic hardship.

Dr Kharazi predicted that mounting domestic and external political pressures would force Saudi Arabia to change its policies. He also urged the Saudi leadership to abandon its support for President Saddam Hussein of Iraq as the most effective way of bringing the Iran-Iraq war to an end.

He claimed that during its latest offensive in the Fao peninsula Iran had inflicted 18,000-20,000 casualties on Iraq. The Iranian forces had now secured their positions and would launch further offensives when the moment was considered politically appropriate.

This view was echoed by newspapers in the United Arab Emirates, one of which claimed that "US aggression clearly reflects its hostile policy not only against the Arab nations, but against other countries America wants to bring under its hegemony and domination."

For once, the views of newspapers in Arab countries generally considered to be conservative, were more outspoken than those in the predictably radical camp. In Damascus, for example, editorials restricted themselves to warnings that "the will and steadfastness of the Arab masses are stronger than modern US war machinery."

The gap between officially sanctioned newspaper comment and government statements reflects the difficulties which several Arab régimes encounter whenever the US Administration asserts itself militarily in the Middle East.

The conservative monarchies of the Gulf privately accept the need for a US military umbrella, yet too often find American policies opposed to fundamental Arab ambitions.

Egypt, the recipient of over $2.2bn a year in US civil and military aid, took nearly 48 hours to find a form of words with which to react to the Gulf of Sirte clashes. It eventually contended itself with an expression of "concern over the deteriorating situation" and urged "both sides to exercise restraint to avoid a further escalation of the situation."

The Egyptian statement came as President Hosni Mubarak held talks with Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, in what appears to be a doomed attempt to breathe fresh life into a Middle East peace process.

Saudi Arabia, already locked into bitter conflict with members of the Organisation of Petroleum Exporting Countries over its oil production policies, has done its best to ignore the US-Libya clash. There has been no official Saudi reaction.

It was left to Libya to announce that King Fahd had telephoned Col Gadaffi to pledge full Saudi support, a statement that the Kingdom would politically be hard pressed to refute.

Outside the Middle East there has ben less government reticence to condemn the US action. India came out strongly yesterday against Washington, describing the US action as a serious threat to international peace and stability.

China also weighed in strongly, accusing the Reagan Administration of violating the norms that govern international relations. It accused Washington of subjecting Libya to military threats.

The Soviet Union returned to the attack with dire warnings of the threat posed by the US to world peace and was followed in similar vein by its East European allies.

Meanwhile, in western Europe, where most governments had made their views known on Tuesday, the emphasis was more on measures designed to frustrate any further outbreak of terrorism.

Britain also reviewed its security precautions, particularly at Heathrow airport, following the statement by Mrs Margaret Thatcher, the Prime Minister, in support of President Reagan.

Thousands protest in Italy as terrorism fears grow

BY JAMES BUXTON IN ROME

THOUSANDS of young people took to the streets throughout Italy yesterday to demonstrate against US military action against Libya.

The Italian Government, which of all the Nato countries was the most openly critical of the US action, yesterday maintained a state of high alert at airports, embassies and military installations to guard against possible terrorist attacks.

Italy is the European country geographically closest to Libya. The principal fear of the Italian Government is that Italy could become the target of renewed terrorist action, similar to the attack at Rome's Fiumicino Airport on December 27 in which 13 people were killed.

Italy also has on its soil the Nato bases closest to Libya. Col Gadaffi, the Libyan leader, said earlier this year that he would retaliate against these if the US took action against Libya. Following the Gulf of Sirte clashes, Col Gadaffi broadened the threat to include all Nato bases.

The closest Nato bases to Libya are at Comiso, in Sicily, wghere US cruise missiles are installed, and Signnella, also in Sicily, which played a key role in the US action following the October hijacking of the Italian cruise liner Achille Lauro. Naples is also an important US naval base.

On Tuesday, Mr Bettino Craxi, the Prime Minister, summoned Mr Maxwell Rabb, US. Ambassador, to give him a message asking the US Government to make sure that the situation did not deteriorate.

Mr Craxi told Parliament that Libyan claims to the waters ofthe Gulf of Sirte were unacceptable but said that the US naval exercises were "inappropriate" as a means of "re-establishing a principle of international law." He said that Nato bases in Italy could not be used in a conflict that was outside Nato's area of operations.

Unlike at the time of the Achille Lauro hijacking, the events in hte Gulf of Sirte have caused no division in the Italian governing coalition. It appears to be unanimous in its alarm over the US action.

Yesterday, some 3,000 students in Rome and 4,000 in Milan marched through the streets in protest. In Milan, they marched past the Libyan Consultate to the US Consultate chanting the slogan "From Sicily to Lombardy, America out."

There were also demonstrations in all the major cities in Sicily as well as in Bologna, Naples, La Spezia, where Italy has a major naval base, and elsewhere.

Nigeria to hold debt talks today

BY PATTI WALDMEIR

NIGERIA is expected to meet its commercial bank creditors today in London for the first round of talks on rescheduling the country's $7bn in medium and long term commercial bank debt, following a preparatory meeting yesterday attended by about 20 creditor banks.

Barclays Bank, which is acting as co-ordinator of the bank group, convened the meeting yesterday to select a 10-to-12-bank steering committee to pursue what are likely to prove protracted negotiations with Nigerial officials. Barclays declined to comment

The talks, which follow Nigeria's announcement in January that it would seek rescheduling of total medium and long term debt of around $12bn, have taken on added urgency in view of the precipitate fall in the world crude oil price.

Oil exports reprecent over 95 per cent of Nigeria's hard currency earnings.

Earnings from oil, projected at N 8.1bn in the 1986 budget are likely to fall at least 25 per cent short of the forecast unless oil prices recover substantially.

The country's president, Maj-Gen Ibrahim Babangida, announced in January that the debt service payments this year would be limited to no more than 30 per cent of export earnings. Any large drop in export earnings would make even this 30 per cent figure difficult to meet, without further sharp cuts in imports which would seriously constrain domestic economic activity.

Reports from Lagos yesterday indicated that the Nigerian delegation of today's talks would be l ed by Dr Chu Okongwu, along with senior officials from the central bank of Nigeria and the ministries of Finance and National Planning.

Agreement with creditor banks on a rescheduling would reduce 1986 debt servicing by an estimated $1.8bn out of total commitments of about $4.4bn.

This would ease the country's debt crisis, but Lagos would appear to have little option but to seek a rescheduling of its debt to official creditors as well.

The Paris Club of Government creditors has made it clear to Nigeria that any such rescheduling could not take place until Lagos had reached agreement with the International Monetary Fund (IMF) on an economic adjustment programme.

President Babangida announced last December that talks with the IMF on a $2.5bn loan had been suspended, although an IMF team recently visited Lagos for what were described as routine consultations.

Indonesia pledges to meet development projects

BY OUR JAKARTA CORRESPONDENT

INDONESIA yesterday defended the development component of its current budget despite falling revenue from oil sales.

Mr J. B. Sumarlin, Development Minister, said that all development projects in the 1986-87 budget would be implemented, regardless of the oil squeeze.

However, it is clear from widespread speculation that the Indonesian government is looking for ways to reduce expenditure in other parts of the current budget.

Indonesia's 1986-87 budget, introduced in January, was based on the optimistic assumption of an average oil price of $25 a barrel. It is now widely recognised in Jakarta that the actual price for top-grade Indonesian crude was fallen at the least to $15 a barrel. Some sources put actual current prices as low as $13 a barrel.

Indonesia's 1986-87 budget contained an overall spending cut of 7 per cent, while the development (public investment) component of the budget was reduced by 22 per cent.

One of Indonesia's main concerns is to minimise the impact on employment of whatever further budget cuts take place —an issue of great national sensitivity.

Non-development expenditures likely to be cut are funds for the national takeover of rice stocks, and oil fuel and fertiliser subsidies.

Indonesian liquified natural gas (LNG) exports in January this year declined in value by 1.6 per cent to $339.36m, while figures for oil exports for 1985 fell by 23.5 per cent

Chris Sherwell analyses the East Malaysian state's political crisis

Sabah struggles for peace formula

PERCHED on the northern tip of Borneo, Sabah's wild politics have long matched its location. But the oil- and timber-rich East Malaysian state has excelled itself this past year, and especially this month, when a calculated series of bombs and violent demonstrations by Moslem oppositionists have plunged it into disorder.

The upheaval is directly traceable to last April's state election, when a six-week-old mainly Christian party completely upset the nine-year-old Government of Datuk Harris Salleh, one of the state's most colourful figures and an ally of Dr Mahathir Mohamad, the country's Prime Minister.

In giving the new party little chance to govern, its opponents in Sabah and Kuala Lumpur quickly set off a chain of events which have not only raised questions about the Malaysian federation and Dr Mahathir's own ruling coalition, but also exposed the racial and religious tensions which lie at the very heart of the country's politics.

Even now, in the wake of a fleeting visit by Dr Mahathir to Kota Kinabalu on Monday, Sabah (population: about 1.4m) will not settle down easily or for long. The state's three warring parties are now considering a formula to settle their differences, but these are deep-seated and a real compromise will prove difficult to achieve.

Sabah, known as North Borneo under British rule, became part of the Malaysian federation in 1963, along with Sarawak and Singapore. Singapore left two years later, while Sabah became something of a problem child because it is so distant from Kuala Lumpur and its racial make-up is so different.

Under siege at the centre of the present Sabah crisis is a gravelly-voiced 45-year-old ethnic Kadazan leader named Datuk Joseph Pairin Kitingan. He is head of the Parti Bersatu Sabah (United Sabah Party) which won 25 out of 48 elected seats last April and severely embarrassed both Datuk Harris and Dr Mahathir.

A former Berjaya member himself, Datuk Pairin was forced out of his state assembly seat in 1984, ultimately a victim of a peculiar Sabah phenomenon — an undated letter of resignation he had been required to submit previously to ensure loyalty. Datuk Pairin fought a by-election in December of that year and regained his seat by a landslide only to see Berjaya abolish the district altogether.

Speedily forming his own party to contest the April 1985 election which followed, Datuk Pairin then humiliated Berjaya by cutting its representation from 44 seats to six. But another 16 went to the old Moslem party called Usno (United Sabah National Organisation), led by Tun Mustapha Harun, another key figure who had dominated the state as Chief Minister from 1967 to 1975.

Despite their lengthy rivalry, Usno and Berjaya quickly forged a pact of convenience as the election results came in. During the dark hours of the night they secured the appointment of Tun Mustapha as Chief Minister by claiming that his right to appoint six assemblymen would yield a total of 28 seats in the 54-member house.

With Dr Mahathir out of the country it was left to Datuk Musa Hitam, then Malaysia's Deputy Prime Minister but now no longer in the Government, to intervene directly. He reversed Tun Mustapha's appointment and ordered the installation of Datuk Pairin.

The result was Malaysia's first state government — and a non-Moslem one at that — to stand outside the ten-party national coalition ruling the country in Kuala Lumpur. Rather than accept the decision, Tun Mustapha promptly challenged Datuk Pairin's appointment in court. Datuk Pairin, for his part, applied for his party to join Dr Mahathir's national coalition.

From these events has sprung today's crisis. Tun Mustapha's challenge produced the longest court case in Sabah's history and kept the issue visible. A verdict is due next month. Datuk Pairin found his application blocked in Kuala Lumpur, and numerous attempts were made, in the less-than-grand tradition of Sabah politics, to persuade his supporters to defect.

When four of his assemblymen did defect in February, Datuk Pairin, at the end of his tether, dissolved Parliament and called an election within 90 days. A judge set March 12 for his decision on another court challenge to stop the poll, and on that day the first eight of dozens of explosions went off, and demonstrations by large crowds of Moslem oppositionists began.

Five people died in 11 successive days of sectarian violence, and scores were hurt.

At different times both Tun Mustapha and Datuk Harris have been seen backing the demonstrations, complaining that Datuk Pairin's Government is anti-Islam

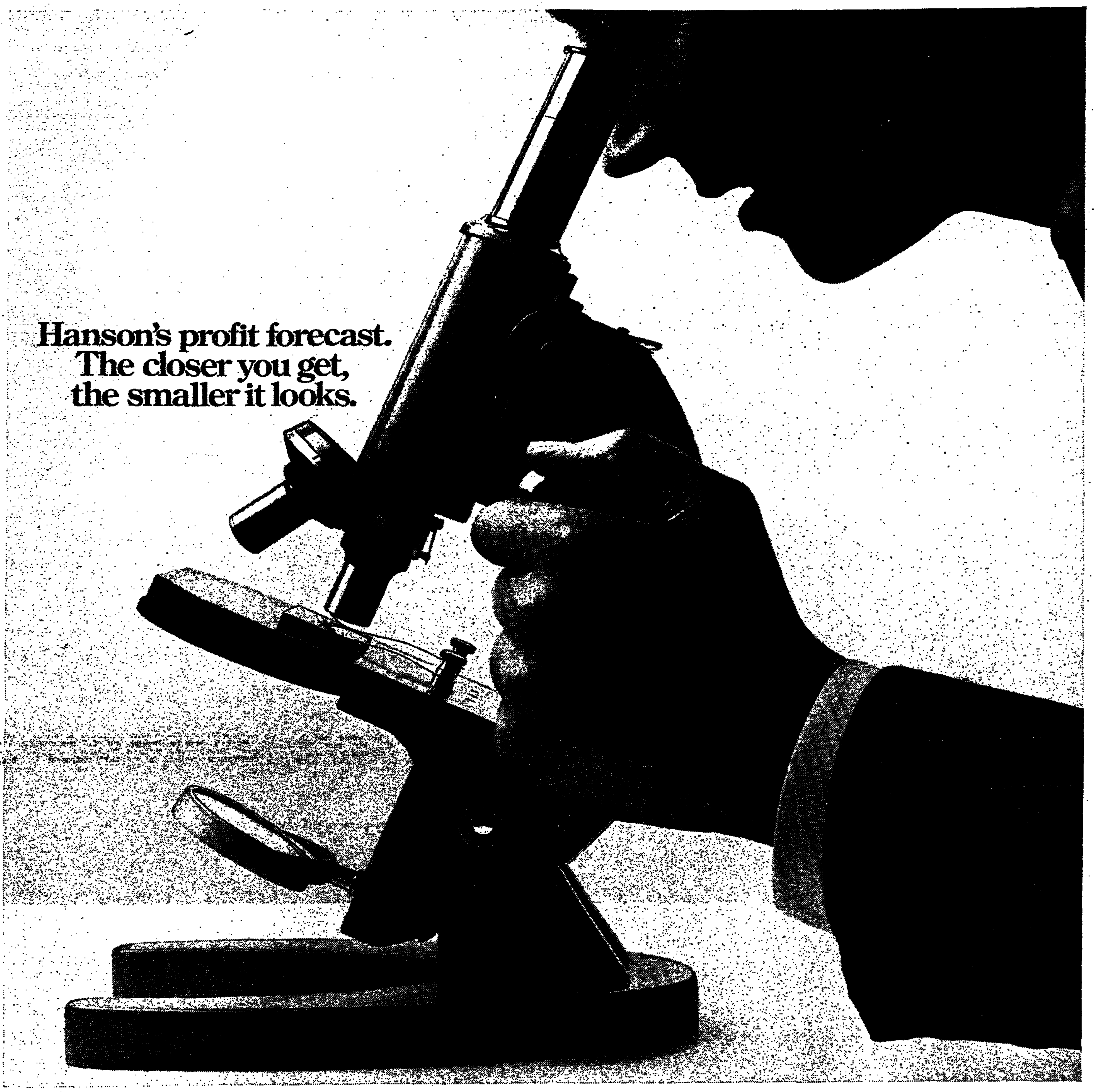
In Datuk Pairin's view, the aim of the bombing and demonstrations has been to influence the judge's March 12 deliberations (the court actually threw out the injunction seeking to stop an election), and to prevent any poll taking place before next month's crucial verdict on Datuk Pairin's original appointment. His supporters say the intention was to provoke a violent reaction that would precipitate direct emergency rule from Kuala Lumpur.

That didn't work, but matters still veered out of control, threatening to embarrass everybody and discredit Malaysia. This week's formula to ease the problems appears to involve power-sharing among the three parties, a halt to opposition legal actions against Datuk Pairin's Government, the admission of his party and of Usno to the national coalition, and fresh state elections.

In what order and over what period Dr Mahathir wants this plan to be implemented is unclear. Troubled by the recent resignation of Datuk Musa as Deputy Prime Minister and by an ever-weakening economy, the Prime Minister is keen to go to the country well ahead of April 1987, when a general election is next due. The last thing he wants is more trouble in Sabah. But his proposals, even if they are accepted, may not last.

هكذا في الأصل

Hanson's profit forecast. The closer you get, the smaller it looks.

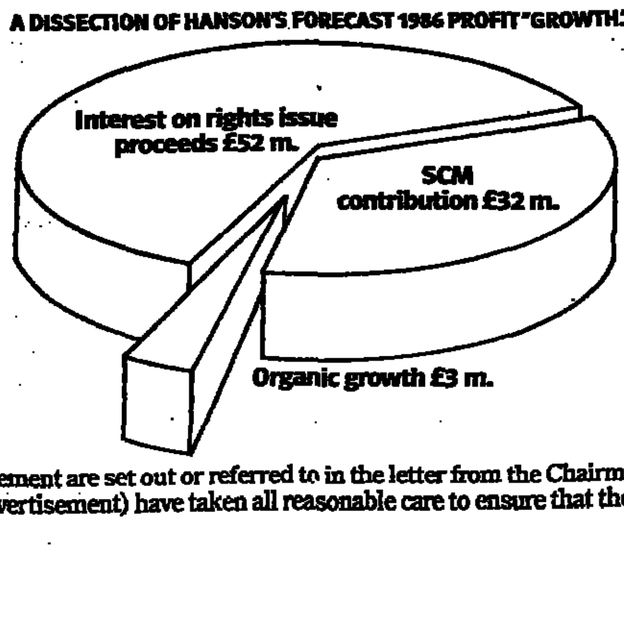


Hanson forecasts a 1986 profit of not less than £340 million: an increase on 1985 of £87 million, or 34%.

At first sight, very creditable. But let's take a closer look.

We estimate that some £52 million will come not from organic growth but from interest savings following last year's rights issue. In other words, a once-and-for-all gain paid for by investors themselves.

A DISSECTION OF HANSON'S FORECAST 1986 PROFIT "GROWTH."



We estimate that at least another £32 million will come from the first-time contribution from SCM–a company bought by Hanson this financial year. Profit, yes: but again, not organic.

So what does that leave? Just £3 million, or less than 2% of real, organic growth.

Now allow for inflation, and you'll arrive at the conclusion we came to.

Hanson's forecast profit increase of 34% just doesn't bear close examination.

Famous brands doing famously.

IMPERIAL GROUP

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WORLD TRADE NEWS

Swedes set for SKr 8bn Indian armaments order

BY DAVID BROWN IN STOCKHOLM

SHARE TRADING in Nobel Industries of Sweden was halted on the Stockholm Stock Exchange yesterday amid reports that the group's Bofors armaments subsidiary is in line to win a contract from India worth more than SKr 8bn (£695m).

This would be the largest single export order ever won by a Swedish company.

Bofors said yesterday it has submitted its final bid and expects to receive word from Indian authorities in several days.

The French and UK state-owned defence industry groups (Sosma and International Military Services, respectively) have also submitted competing bids, but Bofors was confident of victory yesterday.

The order is understood to involve an initial 400 artillery pieces (155 mm) worth some SKr 8bn, plus additional fees for subsequent domestic Indian production of the equipment under licence from Bofors.

Bofors said competition had been fierce, but "we think we are going to win.

"In order to prevent speculation in our shares, we have asked for this trading stop. It should be lifted within a couple of days."

The order would provide work for much of the Bofors division over four years, and would nearly double annual sales to nearly SKr 5bn. Nobel Industries sales in 1986 were SKr 10.8bn.

Bridget Bloom, defence correspondent, adds: International Military Services, the British government - owned company marketing the rival FH-70 155mm field howitzer for the Indian contract, said yesterday that it had not been informed by the Indian Government that a decision had been taken to buy the Swedish Bofors-77 gun.

The FH-70, which is produced by VSEL *of the UK, Rhein*metall of West Germany and Oto Melara of Italy, is being offered to India in an advanced version with a range of 40 kms.

IMS said yesterday that the offer was made to India on the supply of 400 guns and related spares and ammunition would have been worth some £750m.

A spokesman said he believed the British package was some 15 per cent cheaper than the deal offered by Sweden. It involved more advantageous credit terms and a proposal for £200m in counter-trade.

The Indian Army has been pressing the Ministry of Defence in New Delhi to place an order quickly because it urgently needs to improve its artillery.

China plans to reduce imports this year

By Robert Thomson in Peking

CHINA plans to reduce imports this year, according to senior economic ministers, who revealed the extent of the country's significant reduction in economic growth.

Ministers had already hinted that import growth would fall following a large trade deficit last year, but the State Economic Planning Minister, Song Ping, yesterday confirmed for the first time that the Government intended to impose restrictions that would push imports below last year's mark.

Import curbs are likely to be tough because Song hopes for an increase in exports. *Total* trade volume for 1986 is estimated at $56.8bn (£40.5bn) down on the Trade Ministry's valuation of 1985 trade at $59.21bn and well down on the State Statistical Bureau's 1985 estimate of $69.79bn.

Song said that "to keep strict control over the volume of imports and to conserve foreign exchange reserves," China "should ban the import" of goods produced *domestically*.

He called for an end to "competition in price cutting" by Chinese enterprises involved in *foreign trade*.

Tough controls on foreign exchange are to be further tightened, after a significant fall in foreign exchange reserves last year.

Investment in fixed assets would be held at last year's levels until the end of 1987, and there would be a major review of capital construction projects which could result in the suspension of work on several ventures.

Wang Bingqian, Finance Minister, indicated that China's foreign borrowing will increase significantly on last year, up from Yuan 2.5bn (£557m) to Yuan 5.5bn.

However, foreign banking officials say the Yuan 2.5bn is a large under-estimate of actual borrowing, and the figure for 1986 is likely to be higher than Yuan 5.5bn.

He foreshadowed the introduction of a wide range of taxes, including the wider usage *of value added taxes, and a* mineral resource tax, and wants the trial implementation of housing, vehicle and shipping taxes.

Wang said the Government expects a balanced budget this year, after a surplus last year which arose partly from an unexpectedly large and unwanted level of economic growth resulting in higher than expected revenue collection.

William Dullforce looks at the latest Gatt Secretariat estimates

World trade could rise 4% this year

WORLD TRADE could increase by between 4 and 5 per cent in volume this year, the secretriat of the General Agreement on Tariffs and Trade (Gatt) estimates in its first assessment of 1985 trade developments.

The 1986 growth will depend on the industrial (OECD) countries achieving their expected 3 to 3½ per cent expan*sion in their economies.* It would be roughly in line with the average annual growth rate in world trade in the previous 15 years and *would indicate* a slow acceleration after the unforecast slowdown to 3 per cent growth last year.

Gatt sees the 1985 slowdown as a pause in the growth pattern and notes several favourable elements in the current trade situation.

The stimulating factors are the fall in the crude oil price, the dollar's depreciation and the decline in interest rates, against the background of moderating inflation.

Last year's slowdown followed the 9 per cent increase in the volume of world trade in 1984, the highest recorded since 1976. It was seen as the long-awaited recovery after the shock of the second large increase in oil prices in the lat 1970s.

The 3 per cent trade growth in 1985 only just matched esti*mated growth in world production*, departing from the typical post-war pattern of trade growth.

The value of world merchandise exports rose by less than 1 per cent last year to $1,910bn, held back by the 2½ per cent *decline in world market prices* expressed in dollars.

LEADING EXPORTERS AND IMPORTERS IN WORLD MERCHANDISE TRADE, 1985
(Billion dollars and percentages)

Exports (f.o.b)	Value	1985 over 1984	Imports (c.i.f.)	Value	1985 over 1984
US (1)	206	−2.2	US (1)	359	+6.0
Germany (Fed. Rep.) (2)	182	+2.0	Germany (Fed. Rep.) (2)	157	+3.5
Japan (3)	176	+3.3	Japan (3)	129	−5.1
France (5)	102	+4.2	UK (4)	109	+3.9
UK (4)	101	+7.4	France (5)	106	+2.6
Canada (7)	88	+1.5	Italy (6)	90	+7.3
USSR (6)	86	−6.0	Canada (8)	82	+7.1
Italy (8)	78	+6.7	USSR (7)	79	−0.9
Netherlands (9)	68	+3.2	Netherlands (9)	65	+4.0
Belgium-Luxembourg (10)	53	+2.7	Belgium-Luxembourg (10)	55	+0.1

Parentheses indicate rank inn 1984
Sources: IMF, International Financial Statistics; UN. Monthly Bulletin of Statistics: GATT Secretariat estimates.

Two factors stand out in 1985. One is the decline in the value of imports and exports by deve*loping countries attributed to* a lower level of trade among the developing countries themselves and between the developing and industrial nations.

The other is the fall in exports of agricultural and mining products. The 5 per cent increase in exports of manufactures was the only source of strength in world trade last year. Manufactures account for nearly 65 per cent of world trade, mining 22 *per cent and agriculture 13 per* cent.

Trade in mining products has fallen *in seven of the* past 12 years but last year's decline in agricultural trade is only the third since 1950.

The relative world market prices for two major items in consumers' budgets, food and energy, have dropped substantially over the past year, Gatt notes.

South-East Asia, which had been one of the most dynamic areas, recorded a significant setback in trade last year. Exports and imports fell in Indonesia, Malaysia, the Phillippines and Thailand.

The most common explanation is the slowdown in economic activity in the US, which takes many of the region's exports, Gatt, however, finds other *factors* at work.

These include the adverse developments in the *oil, tin,* rubber and sugar markets and a deterioration in competitiveness because of domestic cost pressures, most evident in Singapore. Gatt also believes that uncertainty about trade policies is starting to discourage trade-related investment in the region.

The most important development in an individual country last year was the record U.S. trade deficit of $153bn. China's performance was also remarkable. An increase of 6.7 per cent in export earnings brought *it to 16th place among world* exporters, but a climb of nearly 55 per cent in imports took it from 19th to 11th among importers.

Changes in export earnings ranged from increases of 7 per cent or more in Britain and West Germany to an estimated fall of 35 per cent in Saudi Arabia.

Saudi import spending also fell substantailly, by an estimated 26 per cent. Singapore *and Taiwan recorded import* declines of more than 8 per cent while Italy, Canada and Sweden notched up the largest import increases of more than 7 per cent.

Spain replaced Mexico on the list of the 20 leading exporters, the 2.6 per cent increase in the value *of its* exports being enough to take it past Mexico whose oil-dominated earnings tumbled by 9.5 per cent.

International Trade in 1985 and Current Prospects from General Agreement on Tariffs and Trade Centre William Rappard, 154 rue de Lausanne, 1211 Geneva.

Problem over payments hits Cairo project

By Tony Walker in Cairo

THE CAIRO sewerage project, one of the biggest civil engineering schemes in the world, has run into payments difficulties.

Contractors report serious delays on payments by Egypt of the local currency component of the financing package. *It is* estimated that British contractors, who are responsible for work on the East Bank of the Nile, are owed about E£14m. (£14.2m).

The project, being funded by American and UK aid contributions, plus money from the Egyptian Government, is designed to replace an antiquated sewerage system designed early this century

The Americans, who are carrying out work on the Nile's West Bank, are experiencing similar problems. Howard, Harbert and Sadelmi, a consortium of US companies renovating pumping stations, said they would levy additional fees if a local currency debt were not paid this week. The company is owed about E£3m.

Altogether, payments to American contractors by *the* Egyptian authority responsible for the project are said to be about E£6m in arrears.

It seems that the reason for the payments delay is that insufficient funds have been appropriated in Egypt's 1985-86 budget

Swiss group to check on Philippines imports

BY SAMUEL SENOREN IN MANILA

THE Government of President Corazon Aquino is to hire the Swiss organisation Société Générale de Surveillance to conduct pre-shipment inspection of goods to be exported to the Philippines by nine Asia countries. Inspection will begin May 1 when an import liberalisation programme begins.

*Countries covered by the con*tract, which requires Société Générale to check on product quality. are Japan, South Korea, Hong Kong, Taiwan, Singapore, Indonesia, Thailand, Malaysia and Brunei.

The Philippines will pay Société Générale the equivalent of 0.85 per cent of the value of imports, except those of oil and defence materials certified by the Government.

The scheme, a similar version of which the Swiss company has been carrying out for Indonesia during the past year, aims to control what the Philippines sees as dumping of cheap products *by neighbouring coun*tries.

It will also ensure that local importers pay full duties.

Mr Oskar Kneubuehler, executive vice-president of Societe Generale, said the scheme significantly raised customs duties in Indonesia in spite of a 50 per cent cut in tariffs on imports.

Societe Generale, which serves 21 countries, generates annual fees of SFr1.5bn ($530m) from its inspection services.

Chrysler deal for Italy

BY JAMES BUXTON IN ROME

SIV, an Italian state-owned company, has won a contract to supply glass-making equipment which will be used to produce all the glass used in Chrysler cars.

Under the contract, worth $44m, SIV will design, manufacture, instal and commission new equipment for the Chrysler glass plant, at McGraw, near Detroit.

The new equipment will be completely automated and will be based on advanced flexible technology developed by SIV, which is part of the state-owned Efim group.

The contract means that SIV glass will be used not only in Chrysler cars but also by other companies who buy their glass from Chrysler.

SIV last year had sales of about L350bn (£138m) of which 50 per cent was exported. It has about a quarter of the European market for glass for the motor industry.

Oil price warning for debtor countries

THE LOWER dollar price of *oil will wipe out the benefits of* reduced interest rates for several heavily indebted oil-exporting countries. Oil impor*ters' debt-servicing will* be eased by the oil price decline but many of them are being hurt by the depressed prices for *other primary commodities*, the General Agreement on Tariffs and Trade (Gatt) states in its 1985 trade assessment.

*Most of the 16 heavily in*debted countries returned to the "worrisome" path of import-contracting adjustment last year, the Gatt secretariat reports.

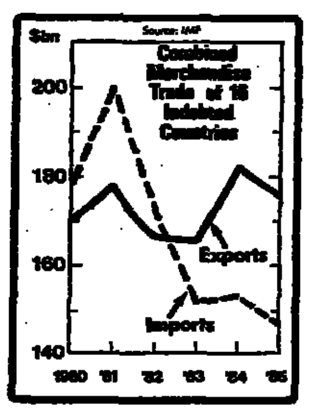
Their combined trade surplus remained at virtually the 1984 level of $28bn but both imports and exports decreased by about 4 per cent. Exports grew in only five countries, while 13 saw a decline in imports in 1985.

The 16 debtor countries have *thus relied heavily on cutting* imports to adjust their trade balances to the needs of debt servicing.

The Gatt secretariat does not favour the widespread resort to import restrictions among the 16. Apart from the effect on other countries' exports, the longer the restrictions are left in place, the greater will be the damage to the debtor countries' own export sectors, the secretariat maintains.

It emphasises, however, that improved trade policies by creditor countries must be part *of the solution. By granting* better and more certain access to their markets, they would facilitate a return to more liberal trade policies by debtor countries.

Relative price developments may bring temporary relief to some indebted countries but this does not alter the two-fold policy dimension of the debt problem, the Gatt secretariat argues.



Efforts to increase net flows of foreign capital to the debtors —as in the US Baker plan—need to be continued.

The decline in nominal interest rates makes it easier for the 16 to service foreign debts and oil-importing countries will further benefit from the fall in the dollar price for oil.

But, the Gatt secretariat points out, the 1984 recovery did not result in the characteristic rebound in markets for primary commodities which is important to non-oil exporting debtors.

Price declines in primary commodities, other than fuels, were a fairly general feature in 1985. Gatt's estimate of an overall price decline of about 5 per cent takes into account export unit values and the prices of long-term contracts. In spot market quotations the fall was more pronounced.

AMERICAN NEWS

US airlifts Honduran soldiers

BY PETER FORD IN TEGUCIGALPA, HONDURAS

US army helicopters yesterday began ferrying some 600 Honduran troops to the point where 1,500 Nicaraguan soldiers are reported to have crossed their border into Honduran territory, US officials here said.

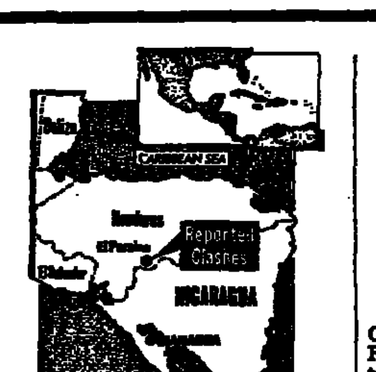
Honduran officials said they *had requested US help to trans*port the troops "to protect the population

The Nicaraguan Government *has denied that its soldiers have* crossed the border into Honduras but says seven battles have taken place against the US-backed Contra rebels in the border area in recent days.

Contra officials claimed that a Nicaraguan contingent had crossed the border and been surrounded by 6,000 of their troops. There were claims that the Sandinista troops had been trapped, but later reports suggested they were returning to Nicaragua.

There has been no independent verification of US and Honduran claims of the Nicaraguan incursion, which is said to have occurred 120 miles east of the Honduran capital of Tegucigalpa in the area where anti-Nicaraguan Contra rebels are known to have established their base camps.

Contra officials indicated that as *many* as 100 Nicaraguan army troops have been killed or wounded in three days of fighting with the Contras. An unknown number of Nicaraguan soldiers are also said to have been captured.



Reagan loses balanced budget vote

By Our U.S. Editor in Washington

ONE OF President Ronald Reagan's top legislative priorities, a constitutional amendment requiring a balanced US budget from 1991 has fallen one vote short of approval in the Republican-led Senate. The narrow rejection means that the project is unlikely to resurface on *Capitol Hill for some time* to come.

The Senate voted 66 to 34 in favour of the amendment, but 67 votes, *a two-thirds majority*, were required for passage. Telephone calls from the President to wavering Senators in the past few days failed to rally the extra vote.

In a statement after the vote on Tuesday night, Mr Reagan expressed disappointment that the Senate had failed "to simply ask the American Congress to do what every American family must — spend no more money than they take in." Many states operate under such a constitutional requirement.

Mr Reagan said that the close vote "merely spurs us on to come back and try again." Mr Robert Dole, the Senate majority Republican leader, predicted, however, that the Senate would not "revisit the issue" in 1986, and other senators said that it would not be possible to pass the measure until the chamber's composition had changed.

The Senate passed a similar amendment in 1982, by 69 votes to 31, but it was rejected by the Democrat-controlled House. Even if it had passed the Senate, the latest amendment would probably have met a *simi*lar fate.

A major factor in the measure's defeat was the new *Gramm-Rudman* law, which already requires a balanced budget in 1991, making the amendment superfluous in the minds *of some* Senators. Supporters, however, argued that the amendment was needed to require continuing balanced budgets after 1991, when Gramm-Rudman expires.

The amendment would have imposed a balanced budget, except in wartime, unless three-fifths of both houses voted for a deficit.

Chill wind of US austerity blows through United Nations

BY OUR UN CORRESPONDENT

ONLY A few months after representatives from more than 150 countries gathered to honour the United Nations on its 40th birthday and to declare it an indispensable part of the fabric of international conciliation, the organisation is in *dire financial straits*.

A number of members, especially the US, are questioning whether or not they *have* been *getting* their money's worth from the UN. They want an end to what they see as its runaway spending habits. Mr Javier Perez de Cuellar, the Secretary General, says the fault lies with the majority, who establish costly programmes that he has no *option but to implement*.

Some of these programmes may now be in jeopardy because the US has proposed *to reduce its contribution* to the UN's regular budget from 25 per cent to 20 per cent, a cost to the organisation of about $40m.

Other cuts mandated by the Gramm-Rudman-Hollings law could amount to a total reduction in US contributions of up to $90m *according* to one estimate, out of a regular budget of just over $800m a year.

In a message to UN staff, Mr Perez de Cuellar said the organisation faced a shortfall of $100m this year, largely a result of "large-scale withholdings in 1986 of assessed contributions to the regular budget." Reserves had been exhausted because of previous *withholdings and late payments* by a number of states, he said.

This emergency demanded immediate, painful action, he said, *as well as difficult deci*sions by member states. He directed an immediate freeze in recruitment, a six-month suspension of promotions, deferment of cost-of-living adjustments and mandatory retirement without exception for staff reaching the age of 60.

These steps should save $15m on top of earlier economies to save a similar amount, the Secretary-General said.

The secretary general discussed the financial crisis at the White House last Friday with President Reagan, Chief of Staff Donald Regan and UN Ambassador Vernon Walters.

Perez de Cuellar calls for immediate and painful action

The 25-minute meeting was described as "very congenial," but no promises were made by the American side, apart from *a reaffirmation* by Mr Reagan of his personal interest in the UN, officials said.

The early months of any year are traditionally a bad time for the UN, because many member states are slow payers. But this year, the organisation is having to live from hand to mouth, said Mr Patricio Ruedas, the head of Administration and Management.

One effect of the shortfall has been some *difficulty* in meeting the payroll and the UN staff union forecast in its house newspaper recently that the UN would be broke by October. The union held an emergency meeting earlier this week to discuss the situation.

An estimated 75 per cent of the budget is spent on staff costs — more than 7,000 people are on the UN payroll in New York alone.

Educational grants for the children of professional staff are reported to cost the UN $21m a year, representing another potential area for cuts. Several studies done in the US have found UN pay scales to be as much as 40 per cent higher than those in the US civil service, but the UN argues that the comparison ignores fringe benefits available to American workers.

At the initiative of Japan, the biggest contributor to the budget after the US, the General Assembly has established a committee of 18 to review the *body's administration* and finances. The committee, headed by Mr Tom Vraalsen, the chief delegate of Norway, will get down to serious *business next* month

Mr Vraalsen said in a recent interview that the UN is not on the verge of bankruptcy, but that *states* must face up to the choice between finding money for programmes and agreeing to deep cuts. He identified the UN's propensity for calling conferences and the huge volume of documents produced as areas ripe for reductions.

Small states are assessed at only one-hundredth of 1 per cent of the budget, and as they are entitled to reimbursement of travel costs for three representatives to attend both regular General Assembly sessions and special sessions, some member may easily get their money back. Two special *sessions* have been arranged for this year: one on Africa's economic plight and the other on Namibia

The Heritage Foundation, a Washington group spearheading the drive for UN economies, has identified among its list of candidates for cuts the following *items*: $81,400 for the Secretary - General's personal stationery, $70,000 for his official gifts to hosts, $92,700 for gardeners and their equipment, $537,200 for photocopy paper and supplies, and $115,000 for the limousine and chauffeur for the President of the General Assembly and other travel incidentals.

The US position does not seem to have changed and European Community members of the UN, along with the overwhelming majority, believe that it would violate its treaty *obligations* to the UN if it reduced its budget share arbitrarily. The Western Europeans have asked to see Mr George Shultz, the Secretary of State about it but so far, they appear to have been rebuffed.

Peru set to ignore IMF interest arrears deadline

BY PETER MONTAGNON IN SAN JOSE, COSTA RICA

RELATIONS BETWEEN Peru and the International Monetary Fund are set to deteriorate further next month because the Government of President Alan Garcia will not meet an April 15 deadline for paying off arrears totalling some $120m (£80m).

Mr Leonel Figueroa, president of Peru's central bank, said in an interview here there was no reason for Peru to pay the money since it did not *intend to seek assistance from* the Washington-based organisation.

The IMF has threatened to declare Peru "*ineligible*" for future loans if the arreas are not made good by April 15.

However, Mr Figueroa, who is in Costa Rica for the annual meeting of the Inter-American Development Bank, was at pains to leave the door open for compromise with the IMF.

"We will have a dialogue *with the IMF in order to* arrange our problems with them," he said. Peru did not want to leave the IMF.

● Nicaragua has *this week* made good $7.5m in arrears to the Inter-American Development Bank, thereby removing a technical obstacle to processing of its loan requests.

Brazil heads for deadlock with Paris Club creditors

BY RICHARD FOSTER IN BRASILIA

BRAZIL appears to be heading for an impasse over the negotiations due in mid-April with the Paris Club groups of creditor governments over rescheduling of $8bn (£5.4bn) in Government debt. Negotiations have been left hanging since early last year because of *Brazil's refusal to accept moni*toring of its economy by the International Monetary Fund.

The Paris Club nations have not softened their position over the IMF issue since Brazil announced its monetary reform and price freeze plan, which is expected quickly to lower the country's 255 per cent annual inflation rate. Convinced the plan will *succeed, Brazilian* officials are confident the country can justify its troubled economy to the satisfaction of foreign creditors without formal IMF surveillance.

Mr Fernao Bracher, Brazil's central bank president, believes the creditor nations will relax *their stance in the wake of the* commercial banker's agreement last month to reschedule $31bn in loans to Brazil without an IMF programme.

Brasilia suspended principal and interest payments on its Paris Club debt last year and the arreas now amount to $2.1bn —$655m in interest, and $1.445bn in principal

US energy banks

US ENERGY banks have lent more than $60bn to the oil and gas industry, and their single biggest exposure is to the more than 600 independent producers. A report in yesterday's edition gave the misleading impression that all of the more than $60bn had been lent to independent producers who have been hit hardest by the collapse in world oil prices. *According to figures from* the US Comptroller of the Currency's office, independent producers accounted for 36.8 per cent of the *outstanding* energy loans of the 245 energy banks which it monitors. That compares with loans to drillers and oil field service companies, which accounted for 16.1 per cent of outstanding loans, and loans to major oil companies, which accounted for 8.5 per cent of outstanding loans.

Drugs company warns Japanese over patents

BY TONY JACKSON IN LONDON

GENENTECH, the San Francisco-based biotechnology company, has warned Japanese drug companies over the manufacture of tissue plasminogen activator (TPA), a promising treatment for heart disease.

Genentech has applied for a Japanese patent on the manufacture of TPA.

In letters to seven Japanese drug companies Genentech has claimed priority in the genetic engineering techniques used to produce TPA, a naturally occurring substance which dissolves *blood clots*.

The company started clinical trials on TPA in Japan last November with its Japanese licensees, Kyowa Hakko Kogyo and Mitsubishi Chemical.

The move is thought to be the first example in Japan of the growing worldwide problem of biotechnology patents.

Substances such as TPA cannot themselves be patented because they occur naturally, but biotechnology companies have taken out process patents covering their manufacture.

Genentech said the letters were necessary to protect the pending patent before it was issued.

Texas jobless rate increases

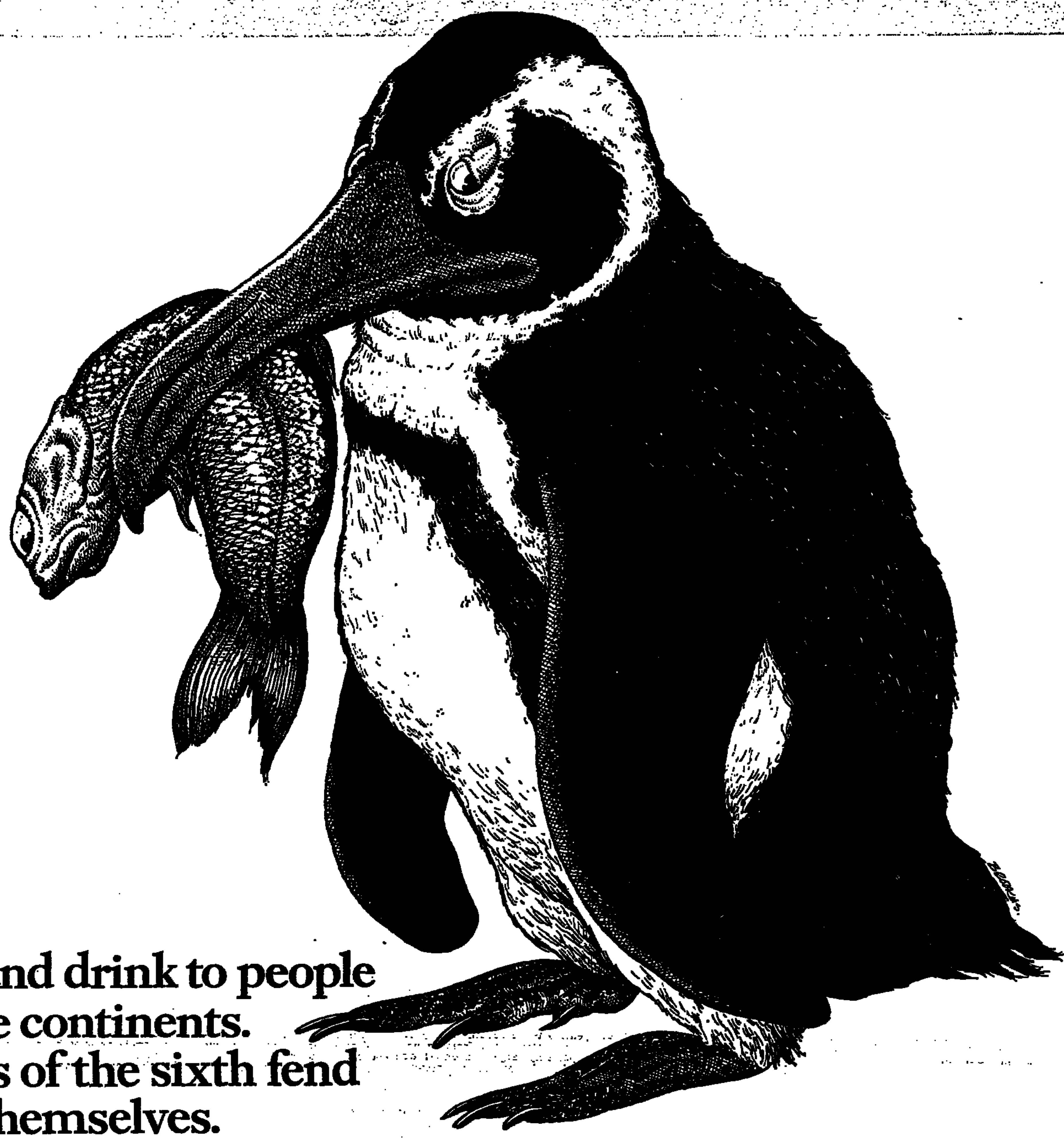
By Mary Frings in Dallas

UNEMPLOYMENT in Texas jumped sharply in February from 6.9 to 8.8 per cent because of the oil price slide and the weakness of the Mexican economy.

Along the Mexican border the jobless rate in the Brownsville and Harlingen area soared 5 percentage points from the previous month to reach 18.7 per cent.

In Houston, the oil services and drilling industry capital, last year's positive trend was reversed and unemployment rose from 7.4 per cent to 9.6 per cent.

Economic activity in Dallas, which is less energy-dependent, is still healthy



We're food and drink to people of five continents. Inhabitants of the sixth fend for themselves.

Primitive though they are, most of the population of Antarctica know exactly where their last meal came from.

Which is something that can't be said of the people of the more advanced countries of the world.

In the States they think Baskin-Robbins, one of the world's biggest ice cream chains, is as American as Apple Pie. Which is hardly surprising as it's run entirely by Americans.

But it's owned by Allied-Lyons. A British company.

Clogs, windmills, tulips, advocaat, what could be more Dutch?

The advocaat. Warninks, Holland's biggest producer of advocaat is British owned and it's part of Allied-Lyons.

All over the world people have got into the habit of drinking sherry before, during or after a meal. Hardly the thing to do, eh what?

But we don't mind. The chances are they're drinking Harveys, the world's biggest selling sherry, once again from Allied-Lyons.

It's much the same with port.

In over 50 countries they don't know, or care, which way to pass the port. But they do know which port to pass. It's Cockburn's.

We could go on.

Allied-Lyons have over 200 brands, many of which are household names in countries the world over. But we're not just sitting back counting the profits, considerable though they are.

During 1985 we invested massively in the business and launched well over one hundred new products worldwide.

Last year we made record pre-tax profits of £219 million and achieved £945 million worth of business overseas, without any help from our flippered friends down there in Antarctica.

Allied-Lyons
GOING ON GROWING

UK NEWS

John Hunt attends the SDP's fifth birthday party

Tough and tender medicine from Dr Owen

NINE MONTHS before the birth of the Social Democratic Party (SDP) Roy Jenkins, its founding father, pondered whether this *experimental political aircraft* would soar into the sky or plunge to earth a few yards from the runway.

Later, after nearly winning a by-election at Warrington, he declared that the plane was off the ground and the crew was serving the passengers with drinks. Yesterday, at a ceremony to mark the fifth anniversary of the party he judged that the SDP aircraft is now in mid-flight and well on course.

The SDP seems to attract metaphors and there were plenty around yesterday in central London, the same venue where the original press conference had been held to launch the party on March 26 1981.

Looking back over the past five years, Dr David Owen, SDP leader, said the party had soared to great heights and plunged to gloomy depths in its attempt to break the mould of British politics. But he felt it fair to say that the SDP had now cracked the mould and were putting forward policies that would break it.

Their Liberal partners in the Alliance were not forgotten, and Dr Owen was firmer on the possibility of a merger between the two parties after the next general election.

There were those who wanted a merger, those against it, and others who were pragmatic. Dr Owen classed himself among the pragmatists.

He felt the "dynamic" of events was leading towards a formal merger after the general election. If the Alliance had broken the political system by that time, people would say the time had come for the merger.

It could take place early in the new parliament, but there would have to be wholehearted support for it from both sides. It could not be a 49/51 affair. He gave the present slogan of the party as "tough and tender" – hard and realistic in making difficult decisions, but warmhearted towards the disadvantages.

Things were very different yes*terday* from the original launch. Five years ago, 500 journalists and photographers and a score of television crews were present to record what the SDP calls "one of the biggest political events of the century." Yesterday, about 40 people from the media were present.

The Gang of Four were there: Dr Owen, Mr Jenkins, Mrs Shirley Williams and Mr William Rodgers. On the first occasion there had been 12 *MPs sitting in* the House of Commons as Social Democrats, but that is now reduced to seven.

No one *was letting that dampen* their sprits yesterday as Stephen Dailey, who was born on the party's founding day, cut a huge birthday cake. It was washed down with coffee or orange juice. Not a glass of claret in sight.

In nostalgic mood, Mr Jenkins recalled that yesterday's event was taking place at 10am, a far more civilised hour than the original 9pm launch.

Admitting that he felt a little tense on this occasion, he said the SDP had established itself beyond *his expectations*, and now had "a great window of opportunity" before it.

Mr Rodgers who, like Mrs Williams, *lost his parliamentary seat* at the last general election, recalled how difficult it had been to decide on the name of the party. *They had tried New Radical Party* and Radical Democratic Party, but since they had settled on SDP, "everybody now knows who we are."

There was an awkward moment when an American, Mr Paul Maag, asked what they thought of the single national list system of voting put forward in the last century by Thomas Hare. Roy Jenkins, as the most erudite person present, struggled with that obscure topic, but had to admit that he had not heard of Mr Hare.

No doubt Labour and Conservative sceptics will *now* be asking whether a party that is not familiar with the works of this 19th century savant is fit to hold the balance of *power* – after the next general election.

Inmos transputer wins US buyer

BY ALAN CANE

INMOS, the troubled semiconductor subsidiary of Thorn EMI, is supplying its revolutionary "transputer" chip to a leading US manufacturer of supercomputers to be built into a series of machines more powerful than any yet devised.

Floating Point Systems, of Beaverton, Oregon, a 16-year old company which is market leader in a special kind of scientific computer called array processors, will launch next week the first of a new family of high-speed machines incorporating the transputer.

It is the first major recognition for the Inmos chip, an entire computer comprising the equivalent of 200,000 transistors compressed on to 9 square millimetres of silicon. It could mark a turning point for Inmos, which last year lost £12.5m as the worldwide downturn in the market for semiconductors hit its memory chip business. It made a profit of £14.4m in 1984, when the semiconductor business was booming.

Thorn EMI has been actively seeking a partner or partners for its troubled subsidiary but had accepted that it would first have to return it to profitability.

Sales of transputers to Floating Point Systems are likely to be worth a minimum of £4m to Inmos in the year ahead. Of more importance to the company, however, is FPS's recognition that the transputer, despite its novelty, is a significant and valuable new kind of computing component.

Inmos now expects a stream of products containing transputers from other companies. Some – a small-scale supercomputer from the UK company Meiko and an industrial controller from the West German company Parsytec – are already on the market. Inmos is privately estimating sales totalling £100m for the transputer in the next 12 months.

Transputer chips cost $500 apiece at present. By next year, Inmos thinks it will have cut the price to $50.

Ruiz Mateos loses Dry Sack rights

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

WILLIAMS AND HUMBERT, the sherry company that is an English subsidiary of the expropriated Spanish Rumasa Group, yesterday regained the worldwide trademarks for Dry Sack sherry.

A High Court judge ruled that the transfer of the marks, valued at about £25m, from Williams and Humbert to a Channel Islands company controlled by Rumasa's founder, Mr José María Ruiz Mateos, in 1976, had no legal effect.

Mr Justice Walton said the transfer agreement had been a "transparent device" designed only to strip Williams and Humbert of its valuable trademarks in the event of expropriation of Rumasa by the Spanish Government.

Rumasa was expropriated in February 1983. Mr Ruiz Mateos *is at* present under house arrest in Madrid awaiting trial on criminal charges arising out of the conduct *of the group*.

Shortly before the hearing of Williams and Humbert's High Court claim, Mr Ruiz Mateos, his four brothers and their sister, and their company, W.&H. Trade Marks (Jersey), withdrew from the case.

In his 61-page judgment, Mr Justice Walton said that, "putting it simply," the transfer agreement had been a fraud on Williams and Humbert for the benefit of the Ruiz Mateos family.

He referred to what appeared to be minutes of company meetings as "complete fiction" because there had been no such meetings.

No one had been authorised by Williams and Humbert to enter into the transfer agreement, which had been the brainchild of Mr Ruiz Mateos and carried through under his direction.

The judge granted Williams and Humbert an injunction restraining the Ruiz Mateos family and the Jersey company from assigning, granting licences in respect of, cancelling or otherwise disposing of the trade marks. Orders rectifying the trade marks register will be made later.

Case 'weakening' for full EMS membership

BY PHILIP STEPHENS, ECONOMIC CORRESPONDENT

MR NIGEL LAWSON, Chancellor of the Exchequer, yesterday dampened recent speculation in financial markets that Britain might be poised to take up full membership of the European Monetary System (EMS).

In evidence to the House of Commons Treasury and Civil Service Committee, Mr Lawson said the halving of the oil price over the past few months had weakened one of the arguments against taking sterling into the EMS exchange-rate mechanism.

Other objections to immediate entry also remained, he said. "It is true that what has happened has reduced the strength of one of the arguments [against membership] ... but we have not yet judged the time to be right."

Mr Lawson added, however, that the Government was fully satisfied with the present pattern of exchange rates. In recent months, sterling has weakened sharply against most European currencies while simultaneously remaining strong against the dollar.

Overall, Mr Lawson's remarks appeared to confirm recent speculation in Whitehall that while the Treasury now seemed more inclined towards full membership of the EMS, Mrs Margaret Thatcher, the Prime Minister, is still opposed.

Nigel Lawson: "Time not yet right"

Yesterday, Sir Alan Walters, a former economic adviser to Mrs Thatcher, who is thought to retain considerable influence with her, said he still firmly opposed sterling's participation in the exchange-rate mechanism.

On interest rates, Mr Lawson continued to hold out the prospect of some further reduction later this year as inflation and interest rates throughout the world decline.

He was careful to emphasise, however, that a fall to levels comparable to those in Britain's main competitors would depend critically on a sharp slowing in the pace of growth of Britain's unit labour costs.

Without that, real, or inflation-adjusted borrowing costs in Britain would stay above those in most other leading economies.

The reduction in industry's costs after the collapse of the oil price, lower inflation and the change in the pattern of exchange rates gave industry a "tremendous opportunity."

But "it is industry's job to control its own costs in order to compete," Mr Lawson said. The Government's role was limited to preventing high unit costs from being translated into rising inflation.

Asked whether any future tax reductions would be concentrated on reducing the basic rate of income tax, Mr Lawson said he was keen both to lower the basic rate and to raise tax thresholds.

Comparisons with other industrialised countries, however, suggested that increased emphasis should be placed on reducing the basic or starting rate of tax.

Finally, Mr Lawson appeared confident that over the next few years the general buoyancy of non-oil tax revenues would allow the Government to reduce taxes despite the steep fall in its North Sea oil receipts.

LEFT-WINGERS BLOCK LABOUR PARTY'S DISCIPLINARY ACTION

Walkout halts Militant hearing

BY MARGARET VAN HATTEM

THE LABOUR Party's attempts to discipline the far-left faction Militant Tendency were reduced to farce yesterday when seven left-wingers walked out of its National Executive Committee's hearing of charges against 12 Militant supporters.

The meeting had to be abandoned as the withdrawals - which followed Tuesday's High Court decision which disqualified eight other NEC members from attending - deprived the committee of a quorum.

Mr Derek Hatton, deputy leader of Liverpool City Council and one of the 12 facing charges, watched as about 300 Militant supporters standing outside the party's Walworth Road headquarters in south London, started to sing the Red Flag.

The left-wing NEC members, led by the MPs Mr Eric Heffer, Mr Tony Benn and Mr Dennis Skinner, left the building and Mr Heffer read out a statement saying they were leaving "because it was evident to us all that natural justice was being denied."

They were followed by the 12 Militants, led by Mr Hatton, who said they were not prepared to submit to a "kangaroo court."

Meanwhile, inside the building, staff were telephoning Westminster to have the eight other NEC members - disqualified from sitting in judgment on the Militants because they had conducted the inquiry leading to the charges - come to Walworth Road to form a quorum and so validate moves to deal with the situation.

These include the convening of a meeting on April 18 when the NEC intends to change its standing rules so that a quorum will require the attendance of only 50 per cent, plus one, of all members eligible to vote. This would enable the NEC to carry on without the seven left-wingers.

Mr Neil Kinnock, the Labour leader, speaking after yesterday's meeting broke up, said the walk-out was "a deliberate and planned wrecking tactic - a pathetic gesture by some who, when they saw they couldn't win, took their ball home."

The rest of the NEC, he declared, was more determined than ever to proceed "and do what we have to do to safeguard our constitution."

The meeting yesterday began with the defeat - by 21 votes to five - of a left-wing attempt to shelve the hearings. The 12 Militant supporters had already been given a written list of the charges. After Tuesday's court hearing, some of these charges had been dropped but no other changes were made. Miss Felicity Dowling, the first of the 12 to be invited to answer the charges, said she did not understand the "revisions" and was allowed to retire to study them.

While she was outside the room, the seven - who had earlier discussed the idea of walking out - reached agreement and, as she returned, they left.

They did so, they said later, because Miss Dowling had not been given a clear statement in writing of the "revised charges" and at that stage it became clear to them that the NEC's procedures were "in breach of natural justice."

Warship yards shares twice oversubscribed

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE GOVERNMENT's £160m privatisation of British warship yards drew to a close this week with a flood of applications from employees to buy shares in Vickers and Cammell Laird, the last two to be sold.

Lloyds Merchant Bank, advising a consortium of managers, employees, and investors which is buying the yards in north-west England together for £100m, said yesterday more than 80 per cent of employees had applied for shares. The offer was nearly twice oversubscribed.

Employees will therefore end up with about 22 per cent of the equity, with local residents in Barrow-in-Furness, where Vickers is located, and Birkenhead, home of Cammell Laird, owning a further 3 per cent. The sale will be formally completed today.

Employees will also receive £1.62m worth of free shares under the purchase. These were offered to employees out of the majority institutional holdings as a sweetener to encourage purchase of shares.

After a late surge of interest on Monday, the final day of the offer, 16,654 applications were received for 12.9m shares of £1 each. Nearly 6.7m shares were available for employees, families, pensioners, and local residents.

Applications came from about 11,500 employees, or 82 per cent of the workforce, for 7.5m shares.

Motorola in cellular radio price challenge

By Jason Crisp

GROWING TURMOIL in prices of mobile telephone services grew yesterday when Motorola, the US electronics group, said it was not increasing connection charges in line with very sharp rises recently announced by Cellnet.

Motorola is one of the largest retailers of cellular radio telephone services after British Telecom and Racal as well as being one of the leading suppliers of equipment.

Last month Cellnet, a subsidiary of BT that operates one of the two cellular-telephone networks in the UK, announced substantial increases in the cost of using the service, because of the strong demand. Its rival, Racal Vodafone, is expected to announce increases in charges

However, Motorola's move will undermine the attempt by other retailers to increase charges. Although Motorola has a much smaller share of the UK market than either Racal or BT, it is still a leading competitor.

The new challenge on prices follows a price war on equipment, which until now had been offset by the proposed increases in the cost of being connected to the Cellnet network and the cost of making calls.

Current account in surplus, but non-oil exports weaken

BY OUR ECONOMICS CORRESPONDENT

BRITAIN'S CURRENT account remained in surplus last month, but there were stronger signs that non-oil export performance had weakened markedly since the first half of last year.

The Department of Trade and Industry said yesterday that the current account showed a £282m surplus in February down from what was seen as an erratically high figure of £1.1bn in January.

Last month's surplus was made up of a £338m deficit on visible trade, more than offset by an estimated £600m surplus on invisible transactions such as tourism and the remittances of profits on overseas investments.

The shortfall on invisible trade in turn reflected a £1bn deficit on non-oil trade only, partly counter balanced by a £685m surplus on oil.

Taking the latest three months together, and excluding oil and erratic items, the volume of exports was fractionally below the level of the previous three months, and just over 1 per cent below that of the same period a year earlier.

The Department said yesterday: "There are now stronger signs that the underlying level of non-oil export volume has fallen a little in recent months."

In contrast, the trend in imports appears to be relatively static, with the latest three-month period showing little change from the three months to November and a rise of around 1.5 per cent compared with a year earlier.

The collapse in the oil price appears to have made little impact so far on the value of oil exports, with strong rises in the volume of overseas sales apparently counteracting the effect of the lower price. The prospect for the whole of 1986, however, is for a substantial fall in the oil trade surplus.

The Government is anticipating a revival in non-oil export performance, largely in response to the recent sharp fall in sterling's value against European currencies, which has given a substantial boost to Britain's competitive position.

The "Red Book" that accompanied last week's budget forecast a 6 per cent increase in the volume of manufactured exports, in part reflecting the recent multi-billion-pound arms deal signed with Saudi Arabia.

That, however, is more optimistic than most outside forecasts, as is the official forecast that imports growth will be slower than the rise in exports.

CURRENT ACCOUNT
(£m seasonally adjusted)

	Current balance	Visible trade			Invisibles balance
		Balance	Exports fob	Imports fob	
1984	+ 889	−4,381	70,367	74,758	+5,270
1985	+2,952	−2,068	78,082	80,140	+5,020
1984 Q4	+ 201	−1,623	19,185	20,808	+1,823
1985 Q1	− 374	−1,266	20,070	21,336	+ 892
Q2	+1,333	− 124	20,237	20,361	+1,457
Q3	+1,072	− 453	18,748	19,201	+1,525
Q4	+ 921	− 225	19,018	19,242	+1,146
Dec	+ 475	− 18	6,387	6,405	+ 493
1986 Jan	+1,140	+ 140	6,255	6,116	+1,000
Feb	+ 282	− 338	6,186	6,524	+ 600

Source: CSO

Conduct rules drafted for insurance salesmen

BY ERIC SHORT

LIFE-ASSURANCE and unit-trust salesmen will be able to continue making unsolicited sales approaches to the public at their homes, in the street or by telephone, but such "cold calling" by salesmen offering other types of investment is in effect to be banned.

That emerges from proposed rules issued yesterday in the form of a discussion paper by the Securities and Investments Board and the Marketing of Investments Board Organising Committee (Sib/Miboc), which are to be the main regulatory bodies for the City of London and financial institutions.

The proposals would allow unsolicited calls for life-assurance and unit-trust salesmen and for other investments where the call is on a business or a professional investor. Otherwise, a call could only be made where the customer had specifically authorised the call - a written "customer agreement."

A specific effect of the ban would be to stop the current rush of unsolicited calls on private shareholders of a company that is a target for a takeover. Institutional investors would still be open to such calls.

The proposals would considerably tighten procedures to protect a client who receives unsolicited calls.

Under a code of conduct for making such calls, the salesman must identify himself, his company and the purpose of the call at the outset. Calls under the guise of market research or any other device would be banned. If the customer requests termination of the call, the salesmen must do so promptly and courteously.

The consumer will also have the right to reconsider any contract bought as a result of the call and the right to cancel the contract without financial loss.

Such rights would be laid out in a cooling-off notice sent to the customer. Similar notices, already in use for many life-assurance contracts, are not as specific as those planned under the rules.

The proposed notices would contain a large amount of information, including charges, commission and early cash-in details.

The customer would be allowed a 14-day period in which to cancel the arrangement, compared with 10 days on current forms.

● Sir Kenneth Berrill, chairman of SIB, yesterday gave a cautious welcome to Tuesday's moves by backbench MPs to give SIB powers of investigation and prosecution through amendments to the Financial Services Bill, Barry Riley writes.

The powers, Sir Kenneth said, would be welcome in certain areas, notably in respect of people selling investments without authorisation or making false and misleading statements. But he would not welcome fragmentation of the existing prosecution processes in areas such as fraud, or offences with international complications.

The Nippon Credit Bank (Curacao) Finance N.V.

US$ 100,000,000 12⅞% Guaranteed Notes due 1992

NOTICE IS HEREBY GIVEN that pursuant to Condition 5(b) of the Notes, US$ 5,000,000 principal amount of the Notes has been drawn for redemption on the 6th May, 1986, at the redemption price of 101% of the principal amount, together with accrued interest to 6th May, 1986.

The serial numbers of the Notes drawn for redemption are as follows:—

4	1281	2021	2880	4017	5215	6166	7291	8320	9116	10087	11213	12233	13360	14307	15448	16342	17456	18358	19170
13	1339	2029	2901	4020	5221	6190	7298	8332	9125	10113	11219	12242	13372	14353	15451	16343	17468	18375	19175
37	1343	2043	2906	4063	5256	6257	7345	8362	9127	10119	11286	12298	13379	14355	15459	16346	17514	18380	19184
60	1344	2062	2908	4083	5280	6265	7350	8364	9139	10145	11292	12300	13393	14381	15510	16349	17570	18387	19202
80	1349	2065	2919	4103	5295	6278	7392	8366	9151	10168	11306	12316	13422	14404	15512	16375	17583	18393	19216
115	1364	2084	2924	4108	5324	6281	7405	8384	9182	10214	11315	12318	13423	14413	15520	16378	17602	18400	19220
121	1370	2090	2926	4114	5336	6304	7410	8386	9225	10226	11316	12344	13477	14417	15539	16395	17607	18402	19227
161	1372	2125	2946	4115	5337	6333	7436	8394	9231	10228	11357	12375	13512	14422	15560	16408	17608	18404	19263
212	1401	2128	2961	4131	5352	6337	7439	8405	9288	10258	11372	12384	13515	14449	15563	16410	17622	18421	19267
247	1424	2197	2980	4190	5354	6340	7478	8414	9296	10274	11411	12411	13567	14515	15592	16412	17648	18424	19312
277	1442	2201	2987	4203	5358	6346	7495	8428	9332	10372	11418	12426	13575	14589	15643	16416	17686	18438	19348
324	1446	2202	2991	4273	5370	6369	7499	8457	9341	10380	11453	12471	13587	14622	15656	16443	17709	18461	19354
326	1451	2220	3034	4292	5379	6383	7542	8496	9364	10385	11494	12488	13602	14635	15668	16483	17714	18487	19365
358	1463	2226	3040	4295	5400	6395	7571	8505	9412	10389	11497	12510	13610	14638	15672	16501	17721	18496	19372
363	1472	2238	3057	4302	5450	6413	7581	8515	9443	10404	11508	12556	13616	14659	15695	16520	17725	18503	19376
371	1483	2246	3062	4309	5469	6434	7601	8534	9468	10418	11513	12568	13617	14730	15712	16528	17742	18528	19399
384	1498	2248	3076	4359	5518	6491	7642	8544	9533	10420	11521	12593	13655	14752	15732	16529	17743	18529	19426
418	1515	2255	3079	4363	5562	6539	7649	8545	9549	10440	11531	12608	13692	14767	15750	16538	17776	18535	19454
430	1520	2283	3085	4386	5595	6541	7670	8566	9560	10462	11570	12628	13698	14773	15757	16539	17792	18544	19457
449	1521	2297	3098	4393	5608	6579	7673	8611	9570	10476	11587	12637	13725	14813	15764	16596	17837	18557	19499
488	1531	2327	3101	4397	5631	6618	7684	8622	9574	10478	11593	12644	13741	14846	15769	16679	17861	18602	19519
549	1544	2337	3201	4426	5658	6625	7711	8628	9598	10488	11604	12667	13780	14848	15838	16682	17862	18615	19520
603	1557	2369	3211	4486	5676	6699	7732	8636	9601	10500	11643	12681	13782	14853	15883	16737	17888	18622	19529
616	1562	2374	3234	4509	5677	6706	7739	8643	9607	10513	11665	12683	13787	14854	15898	16758	17890	18660	19550
636	1608	2383	3246	4528	5719	6718	7777	8661	9608	10541	11675	12713	13875	14881	15909	16829	17919	18669	19569
661	1648	2395	3316	4537	5740	6757	7792	8683	9637	10584	11693	12714	13895	14940	15914	16837	17939	18676	19586
680	1657	2439	3358	4549	5741	6795	7838	8687	9639	10610	11699	12723	13900	14965	15922	16847	17940	18680	19587
685	1700	2442	3359	4586	5774	6798	7855	8734	9641	10621	11707	12757	13933	14968	15941	16852	17962	18690	19620
717	1702	2467	3360	4588	5789	6804	7877	8775	9684	10699	11718	12779	13949	14983	15956	16866	17991	18709	19625
758	1712	2468	3387	4599	5803	6828	7895	8793	9714	10719	11769	12787	13952	14993	15960	16888	18000	18720	19661
792	1715	2478	3442	4609	5811	6878	7913	8801	9717	10744	11832	12806	13959	15010	16040	16924	18001	18722	19678
797	1736	2487	3473	4617	5835	6887	7920	8808	9729	10764	11833	12810	13963	15017	16047	16954	18024	18730	19706
837	1738	2514	3477	4621	5903	6904	7925	8818	9737	10823	11839	12814	13976	15041	16053	17002	18034	18763	19734
854	1753	2531	3507	4649	5937	6910	7956	8834	9744	10831	11846	12816	13984	15109	16057	17030	18053	18772	19752
887	1760	2532	3581	4661	5942	6948	7973	8835	9796	10836	11875	12823	13988	15137	16109	17050	18077	18797	19794
892	1773	2545	3603	4716	5957	6986	7989	8850	9820	10847	11900	12886	14016	15140	16129	17117	18088	18827	19826
898	1807	2556	3625	4773	6012	6987	8006	8853	9881	10852	11908	12904	14026	15158	16150	17131	18096	18834	19828
899	1828	2661	3629	4853	6026	7007	8011	8867	9908	10878	11909	12976	14052	15166	16156	17179	18097	18845	19829
940	1847	2665	3639	4870	6043	7034	8017	8881	9918	10909	11919	13024	14057	15175	16162	17185	18110	18862	19838
953	1854	2684	3703	4877	6059	7055	8030	8890	9934	10958	11961	13057	14083	15180	16175	17210	18166	18866	19883
967	1855	2702	3733	4887	6064	7061	8070	8920	9943	10971	11969	13074	14089	15184	16181	17221	18168	18868	19900
1016	1861	2733	3736	4980	6109	7089	8098	8957	9955	11064	11988	13078	14114	15197	16202	17241	18184	18893	19902
1024	1871	2749	3759	5001	6110	7106	8139	8964	9961	11088	12025	13087	14128	15212	16203	17277	18198	18905	19910
1046	1876	2790	3770	5051	6117	7117	8152	8996	9979	11089	12058	13148	14135	15282	16257	17311	18206	18927	19924
1061	1887	2795	3794	5073	6126	7137	8184	9028	10005	11091	12081	13158	14136	15287	16263	17319	18225	18943	19931
1189	1890	2800	3835	5093	6128	7169	8189	9029	10049	11122	12085	13172	14179	15319	16272	17351	18258	18955	19952
1208	1957	2824	3878	5130	6131	7238	8191	9032	10057	11125	12142	13232	14190	15354	16274	17377	18264	18970	19955
1226	1984	2833	3891	5135	6141	7260	8194	9043	10069	11138	12149	13261	14244	15369	16294	17385	18314	19017	19965
1253	1994	2862	3897	5179	6162	7264	8234	9060	10076	11161	12201	13315	14251	15372	16325	17419	18320	19030	19982
1269	1998	2876	3938	5186	6164	7270	8276	9088	10082	11204	12209	13351	14299	15440	16338	17434	18347	19109	19985

On the 6th May, 1986, the said redemption price will become due and payable on each Note to be redeemed, together with accrued interest from 30th January, 1986 to 6th May, 1986 amounting to US$ 171·67 per US$ 5,000 Note. On and after that date, interest on the said drawn Notes will cease to accrue.

Payment of the Notes to be redeemed will be made on and after 6th May, 1986 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at any of the following Banks:—

Bankers Trust Company
Dashwood House
69 Old Broad Street
London EC2P 2EE

Banque Indosuez Luxembourg
39 Allée Scheffer
Luxembourg

Swiss Bank Corporation
Aeschenvorstadt 1
CH-4002 Basle
Switzerland

27th March, 1986

Bankers Trust Company, London — Agent Bank

UK NEWS

Road maintenance 'starved of funds' says MPs' report

BY JOAN GRAY, CONSTRUCTION CORRESPONDENT

THE BACKLOG of repairs to Britain's motorways caused by shortage of funds for maintenance will now take six years to clear, according to a report yesterday. It criticises as "unsatisfactory" the way the maintenance of roads has been "starved of funds for many years."

The report, prepared by an all-party committee of MPs, examines the motorways and trunk roads on which the Department of Transport spends some £800m a year.

"Serious backlogs have accumulated," it says. "To achieve value for money in road maintenance it is important to resurface at the optimum time, to prevent undue deterioration leading to premature reconstruction, which can be nearly three times more expensive."

The committee says it might be necessary to divert funds away from new road construction to tackle the growing problem of repairs. It also suggests that "better supervision of construction of new roads should be sought, thereby releasing resources for maintenance of existing roads."

The report points out that the problem of inadequate road repairs is one of long standing. "Insufficient allocation of funds in the 1970s led to a backlog of 60 miles of motorway maintenance by the end of 1984–85; there was also a backlog on trunk roads of at least 160 and possibly as many as 220 single carriageway miles," it says.

Although the backlog of motorway maintenance is now expected to be cleared within six years, the Department of Transport was "less certain about the timescale and resources needed to make good the backlog on trunk roads." It hoped to catch up on it "within six or seven years," however.

"We remain concerned that the department is less concerned about the extent of the backlog on trunk roads and the prospects for clearing it," the report says, "We consider it imperative that they should maintain roads in good repair and avoid the need for premature and extremely expensive reconstruction of either motorways or trunk roads due to lack of timely maintenance."

Ford loses ground in car rentals

By John Griffiths

FORD'S SHARE of car fleets operated by British Vehicle Rental and Leasing Association members slipped further last year, while Austin Rover and Vauxhall/Opel made gains.

Annual statistics from the association show that Ford's share of fleets totalling 360,464 cars was 40.2 per cent, down from 43.1 per cent a year earlier and 50.3 per cent in 1983.

Vauxhall/Opel's share rose to 30.7 per cent last year from the 1984 level of 29.7 per cent, after a big jump from 22.2 per cent in 1983.

The statistics still combine those for Austin Rover with Jaguar. The Jaguar figures, however, would have had little influence on the combined increase to 15.2 per cent share year, up from 14.6 per cent in 1984 and 13.1 per cent a year earlier.

Peugeot/Talbot continued to lose ground. Its 1.6 per cent share represented a fall from 2.1 per cent in 1984. Imports from other EEC countries increased noticeably. Their penetration of commercial vehicle fleets covered by the association reached a share of 15.2 per cent last year, from 11.3 per cent in 1984 and only 7.1 per cent a year earlier.

Ford regained ground in the sector. Its share of 44.9 per cent was up from 41.8 per cent in 1984, but still well down on the 50.9 per cent achieved in 1983.

Land Rover-Leyland's share fell to 14.2 per cent from 12.6, but Bedford's increased marginally, from 9.5 to 9.7. The association estimates that the total rented and leased vehicle population of the UK is in the range of 834,100 to 958,300, with its members accounting for 435,357 units. Members' total fleet last year increased by 19.7 per cent, with rental cars up by 11.7 per cent.

The statistics show that contract hire of vehicles continued to make slight gains at the expense of other forms of leasing and fleet management services. Contract hire accounted for 67.4 per cent of vehicles in those three categories last year, against 64.8 per cent in 1984.

Shell takes over oil terminal

By Ian Hamilton-Fazey

SHELL UK has signed a 25-year agreement with the port of Liverpool to take over and run the Tranmere oil terminal in Birkenhead.

The terminal, which opened in 1960, is used for import of crude oil and chemical feedstocks into the nearby Stanlow refinery at Ellesmere Port. Processed chemicals are exported through it. The agreement will secure an important part of the Mersey Docks and Harbour Company's revenues well into the next century.

Ten port employees have agreed severance terms. Shell intends to run the terminal with fewer people under anti-demarcation deals done with the Stanlow unions last year. Those have seen it reduce numbers employed in the Mersey area by about 30 per cent to 2,400.

Until now, separate port and Shell workforces at the terminal have meant that working practices could not be fully flexible.

Mr Roy Reynolds, Shell UK manufacturing and supply director, said yesterday that the new agreement would lead to improved competitiveness.

"It was vital that we made substantial improvements in the efficiency of Stanlow, including the costs of operating shipping facilities, to secure the recently announced investment in a new catalytic cracking plant."

The terminal was Stanlow's main source of supply for crude oil, with a peak throughput of 15m tonnes in one year until Shell built a mono-mooring at Anglesey and a pipeline across North Wales 10 years ago.

Legal Notices

No. 001108 of 1986
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

IN THE MATTER OF
REDMAN HEENAN INTERNATIONAL plc
AND IN THE MATTER OF
THE COMPANIES ACT, 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 10th March 1986 confirming the cancellation of the share premium account and reduction of the capital of the above-named Company from £3,100,000.00 to £1,704,232.45 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above mentioned Act were registered by the Registrar of Companies on 12th March 1986.

Dated this 25th day of March 1986.

MASONS,
10 Fleet Street,
London EC4Y 1BA.
Solicitors for the above-named Company.

Company Notices

NOTICE

To Noteholders of US$50,000,000 Federal Business Development Bank 8¼% Notes due February 18, 1993

Please be advised the Exchange Date for this issue will be June 12, 1986

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
4th qtr.	103.6	101.5	106	112.7	164.0	3,103	153.9
1985							
1st qtr.	106.5	103.1	106	113.4	133.9	3,138	153.6
2nd qtr.	108.4	103.9	109	115.0	141.4	3,174	161.7
3rd qtr.	108.6	104.0	101	116.3	145.2	3,179	164.4
4th qtr.	108.9	104.2	98	116.6	177.7	3,174	168.2
July	107.9	103.4	100	115.9	146.9	3,175	163.0
August	108.4	104.4	102	117.5	145.4	3,183	162.9
September	109.6	104.1	102	115.6	143.7	3,179	167.3
October	108.8	103.7	91	115.0	149.8	3,173	172.6
November	110.3	104.5	99	117.4	164.8	3,167	170.0
December	107.7	104.5	103	117.3	210.4	3,184	162.1
1986							
January	109.4	104.4		117.0	145.6	3,205	159.7
February				117.1		3,210	165.0

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1985							
1st qtr.	103.3	102.5	109.8	103.7	110.2	99.9	13.8
2nd qtr.	103.4	104.5	112.8	104.9	115.9	100.4	18.6
3rd qtr.	105.2	102.2	113.3	103.5	114.9	103.5	17.1
4th qtr.	104.9	104.6	113.1	104.8	111.1	103.0	15.5
July	104.3	101.5	112.6	103.0	114.0	116.0	18.7
August	105.7	102.7	112.4	104.0	116.0	105.0	15.6
September	105.5	102.4	115.0	104.0	114.0	103.0	17.1
October	103.8	104.3	113.5	104.0	111.0	101.0	19.6
November	105.2	104.6	115.6	105.0	113.0	104.0	16.5
December	105.7	105.0	110.2	106.0	109.0	104.0	10.6
1986							
January	103.5	105.1	114.3	105.0	110.0	101.0	13.8

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1985							
1st qtr.	118.6	126.6	−1,266	−391	+1,958	96.1	13.53
2nd qtr.	120.5	124.8	−124	+1,533	+2,411	97.8	14.32
3rd qtr.	116.3	124.1	−453	+1,252	+1,900	100.2	14.18
4th qtr.	118.9	127.4	−225	+1,141	+1,893	101.6	15.54
June	117.9	124.7	−216	+336	+799	98.6	14.32
July	117.9	126.1	− 77	+491	+585	99.1	14.26
August	114.4	122.7	−167	+402	+653	100.8	14.26
September	116.7	123.6	− 87	+481	+662	100.6	14.18
October	118.8	125.0	+ 7	+407	+754	101.0	16.31
November	118.5	129.6	−214	+186	+649	102.1	15.98
December	119.4	127.8	− 18	+548	+491	101.7	15.54
1986							
January	118.1	119.9	+140	+1,140	+997	101.7	15.60
February							15.80

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending† £m	Base rate %
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,109	13.50
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,082	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1,771	3,374	11.50
4th qtr.	1.4	25.1	17.8	17.7	2,299	3,431	11.50
June	5.7	44.6	25.1	20.2	401	976	12.50
July	4.4	19.1	8.3	16.8	650	1,121	11.50
August	2.4	22.9	14.4	21.8	524	1,121	11.50
September	1.1	5.2	12.3	14.1	597	1,132	11.50
October	1.5	24.9	19.8	18.7	796	1,144	11.50
November	3.0	21.5	20.4	17.6	638	1,095	11.50
December	2.7	29.1	14.2	17.0	865	1,192	11.50
1986							
January	9.8	14.6	11.1	11.4	770	2,735	12.50
February	4.6	5.3	6.8	8.8	793		12.50

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2nd qtr.	170.3	138.8	139.4	375.3	339.4	278.13	78.9
3rd qtr.	174.4	133.1	140.2	376.3	335.5	251.12	82.2
4th qtr.	176.9	132.7	141.4	378.1	337.4	n/a	79.8
July	173.7	133.9	139.9	375.7	335.3	259.51	83.6
August	173.4	132.8	140.1	376.7	335.3	254.34	81.6
September	176.1	132.7	140.5	376.5	335.8	251.12	81.4
October	173.9	131.3	140.9	377.1	335.5	249.46	80.4
November	176.8	132.1	141.5	378.4	337.4	n/a	80.0
December	180.0	134.8	141.8	378.9	339.4	n/a	79.1
1986							
January	177.9	135.3	142.8	379.7	341.1	n/a	76.6
February		133.7	143.4	381.1	343.6	n/a	74.2

* Not seasonally adjusted.
† From Jan. 1986 includes amounts outstanding on credit cards.

NOTICE

To the Holders of

The Washington Post Company

10⅞% Notes Due October 31, 1995

NOTICE IS HEREBY GIVEN THAT the Final Installment, as such term is defined in the Fiscal and Paying Agency Agreement dated as of October 31, 1985 between The Washington Post Company (the "Company") and Morgan Guaranty Trust Company of New York, in the amount of $850 per $1,000 principal amount of Notes is due and payable at the office of the Fiscal Agent in Brussels through the Euro-clear Operator or Cedel in U.S. dollars in immediately available funds not later than 10:00 A.M. Brussels time on April 30, 1986. On and after April 30, 1986 (subject to the grace period prescribed in the aforesaid Fiscal and Paying Agency Agreement), the Company's obligation to accept payments of the Final Installment shall cease, and the Company will be entitled to retain as liquidated damages the First Installment. Each person who has paid the First Installment will be entitled to receive a Note in definitive form only upon payment of the Final Installment.

THE WASHINGTON POST COMPANY
By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Fiscal Agent

Dated: March 27, 1986

هكذا من الأصل

UK NEWS

Engineers say sales expected to rise 6%

BY CHRISTOPHER PARKES

OUTPUT from the UK engineering industry is picking up after a flat 12 months and gross sales are expected to rise 6 per cent this year, according to the Engineering Employers Federation.

It says that accelerating growth towards the end of the year will carry the improvement into 1987.

The report says output in electronics and computer engineering, which stopped growing last spring, is rising again. Increases are also expected in motor vehicles and aerospace industries, although output in mechanical engineering will rise only slowly and is expected to remain static in metal goods.

The industry's total gross sales for 1986 are expected to reach £86bn. Allowing for inflation at 4.3 per cent, that amounts to real growth of about 1.5 per cent.

Investment, however, seems unlikely to increase over the next 18 months. In Engineering Economic Trends, a new twice-yearly publication, the federation says that tax changes and high real rates of interest will put a damper on spending.

After the first quarter of this year, it says, corporation tax will bear more heavily on investment because only 25 per cent of any spending on fixed assets will be immediately allowable against tax. "One expected effect of this... is that firms will have brought forward as much investment as practicable into the first quarter... leaving a comparatively low level in the remainder of the year."

A similar effect was noted in 1985, when there were also tax incentives to bring investment forward.

Although there are factors that would normally encourage investment – profits have improved and there is an increasing number of businesses that appear to lack the capacity to raise output as much as they would wish – they may be entirely outweighed by the tax change and the relatively high cost of borrowing.

The federation is more optimistic about prospects for exports. UK export prices are now considerably more competitive than in mid-1985, it reports.

"Lower oil prices will benefit the oil importing countries of Western Europe and North America – which accounted for almost 68 per cent of UK engineering exports in 1985," the study says. Increased sales to these regions are expected to more than offset the expected loss of business from oil exporters.

Britain said to have world lead in privatisation of state assets

BY GEORGE GRAHAM

BRITAIN has found a new export: privatisation. The Adam Smith Institute, a right-wing pressure group, says in a report published yesterday that the UK's success in privatising state industries, council houses and services has given it a world lead and its expertise is now a valuable asset.

"Other countries are turning to privatisation precisely because of the success achieved in Britain," the institute says. "Dozens of countries have sent representatives to Britain to see the results at first hand and to learn how it is done.

"There is almost a 'privatisation tour' as they meet people from the newly privatised industries, talk to the workforce and meet some of the customers. It is only a matter of time before some enterprising travel agent offers a package tour including visits to newly owned council houses and inspections of garbage collection done by private companies."

The institute says that as the UK's economy changes from a reliance on heavy manufacturing to the newer high-technology and service industries, its expertise in the techniques of privatisation might become one of its most sought-after assets.

The scale of privatisation is increasing, the institute says, unlike campaigns to cut public spending, which tend to falter after a very short time. It is now a significant component of the UK budget, with sales at the national level running at around 4 per cent of income-tax receipts.

Although the most prominent UK privatisations have been of state-owned industrial companies and utilities, the biggest success of the programme, according to the institute, has been the sale of state-owned council houses to their tenants.

The report says that Cuba and China have both begun to privatise state-owned housing. In Shanghai, for instance, 6,000 flats were on sale last year. Buyers had to find a third of the 18,000 yuan (£4,000) price. The balance is paid jointly by the state and the employer.

Privatisation Worldwide, Adam Smith Institute, PO Box 316, London SW1P 2JH, £7.

'Opportunity given' for exporters

BY CHRISTIAN TYLER, TRADE EDITOR

THE FALL in the oil price and the spur it will give to world demand for manufactured goods makes 1986 a "year of opportunity" for British producers, Lord Aldington, an industrialist and former Conservative minister, said yesterday.

Lord Aldington is chairman of the House of Lords select committee whose recent report on the decline of UK manufacturing reopened debate about Britain's prospects as North Sea oil earnings diminish.

He called yesterday for a major expansion of the UK's manufacturing base over the next five to 10 years. The export of goods would have to fill the larger part of the £8bn gap in the trade accounts of the next decade, he said.

"I have to emphasise, once again, that Britain will not recover its economic position in the world without a radical and urgent change in its attitude to the importance of manufacturing in the nation's life."

Lord Aldington said he believed his committee's report had influenced Conservative Party thinking, especially that wing of the party represented by Mr Michael Heseltine, the former Defence Secretary

Barristers win case for fee negotiation

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE BAR has won its unprecedented challenge to the decision of Lord Hailsham, the Lord Chancellor, to impose a 5 per cent increase in criminal legal aid fees without consulting barristers.

In the High Court yesterday Mr Nicholas Phillips, QC, for Lord Hailsham, said that after consulting his Cabinet colleagues about the public expenditure implications the Lord Chancellor had agreed to a binding timetable for talks with the Bar on its claim for inceases of between 30 and 40 per cent.

That timetable would lead to a final decision on the level of fees on July 18. In the meantime the 5 per cent increase would be implemented.

Mr Robert Alexander, QC, the chairman of the Bar, who had brought the case on behalf of the 5,200 barristers in England and Wales – between 2,000 and 3,000 of whom depend largely on criminal legal aid fees – welcomed Lord Hailsham's change of heart as "a great step forward." He claimed it would protect the quality of the legal service offered to the public.

Mr Phillips told Lord Lane, the Lord Chief Justice, and two other judges, that Lord Hailsham had already made it clear that he considered it necessary and desirable that there should be further discussions with the Bar on the report prepared for it by Coopers & Lybrand, the management consultants.

That report recommended increases of 30 to 40 per cent to give barristers relying on legal aid fees incomes comparable to the salaries of lawyers in government service.

Mr Phillips said that Lord Hailsham had felt unable to give a commitment because his eventual decision would include implications for matters on which he had to consult Cabinet colleagues.

Mr Tom Morison, QC, for the Bar, said that Lord Hailsham had only agreed to negotiate because the Bar had taken the matter to court for judicial review of his decision.

It had only been comments by Lord Lane during the hearing, when he had urged "hard thinking" because he did not want to have to rule against the Lord Chancellor, that had caused Lord Hailsham's change of heart, Mr Morison said.

Asking that the Bar should have its legal costs paid by Lord Hailsham, Mr Morison said it had had to come to court to achieve what it had otherwise been unable to achieve.

The judges ordered Lord Hailsham to pay the Bar's costs, estimated at about £12,500 – an unusually low figure because the barristers involved gave their services free.

Lord Lane congratulated the parties on "what we hope will be a solution to a very unpleasant matter."

After the hearing Mr Alexander said that the Bar had established that the Lord Chancellor had to negotiate fully on the proper level of fees within a reasonably short timetable.

In its unique application, the Bar had contended that Lord Hailsham had breached his duty under the 1974 Legal Aid Act to fix "fair and reasonable" remuneration, and failed to fulfil the Bar's legitimate expectation that it would be consulted before a decision on fees was made.

Later yesterday the Law Society, the professional body of solicitors, which has launched a similar challenge to the Lord Chancellor's decision, announced that it had been offered the same timetable as the Bar.

● "Industrial action" by the Bar which threatened the launch of the new Crown prosecution service was postponed yesterday after the Government agreed to talk about fees to be paid to barristers accepting briefs from the service.

Last month barristers in London voted to refuse to accept briefs unless they were marked in advance with an acceptable fee.

Court rejects attempt to block banking centre

BY OUR LAW COURTS CORRESPONDENT

THE GREATER London Council (GLC) has failed to block a £1.5bn banking centre development at Canary Wharf on the Isle of Dogs in London's docklands.

The High Court yesterday dismissed with costs the GLC's claim for an order quashing last October's decision by the London Docklands Development Corporation (LDDC) to approve the development plans of a consortium of Credit Suisse, Morgan Stanley International and First Boston Real Estate.

The GLC had expressed concern about the impact of the development, which includes three towers which would be the tallest in London.

It attacked the LDDC on two grounds: that the corporation had failed to have regard to the Greater London Development Plan and the impact of the towers on the urban landscape and local buildings, and that the corporation had failed to consult the GLC, which had had a legitimate expectation that it would be given an opportunity to make representations before a decision was made.

Mr Justice McCulloch said that the LDDC had an implied statutory obligation to take account of the development plan. The only reasonable inference to be drawn from the evidence was that it had failed to do so before granting planning approval. However, the GLC had not established that the matters that would have arisen from a consideration of the development plan had not been considered by the LDDC.

The members of the LDDC had known they were being asked to approve some extremely tall buildings. Their attention had been drawn to the general impact of the towers when seen from afar.

They must have been aware, the judge said, that the towers would be not only visible but dominant. They must have realised that the London scene would be influenced, the skyline and essential character of the district affected and that the towers would intrude on a famous and pleasant view.

The extent to which the influence would be adverse, the skyline marred, the intrusion detrimental, were matters for the LDDC's judgment.

The court was only concerned with whether that judgment had been exercised and, the judge said, he concluded from the evidence that it had.

He rejected the GLC's contention that it had had a legitimate expectation of consultation.

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Please contact David Little

MARKETING ASSISTANT — MERCHANT BANK — to £16,000

This new post is open to an enthusiastic, ambitious and well educated person aged between 25 and 30. Candidates must have a good banking background with some exposure to credit assessment. The job, a relatively junior role within the marketing department of a City merchant bank, is open to those who can display the kind of qualities that will enable them to progress quickly and take on more responsibility at an early stage.

Please contact David Little

ACCOUNTANT — c£20,000 plus benefits

An opportunity to join a new bank opening late Spring/early Summer. The requirement is for an Accountant (preferably qualified) who has at least 5 years international banking experience. Duties will encompass Financial Planning, Budgeting, Accounts Control, Management Information Systems, Central Bank and local statutory returns plus initially the responsibility for implementation of the accounting systems. The bank have an IBM 38 with Kapiti software and anticipate commencing with around 30 personnel. Suitable applicants who wish to respond to this challenge are expected to be in the age range 30/40.

Please contact Paul Trumble

INVESTMENT ADVISER

Prime European Bank requires an experienced analyst to provide its private and institutional clients with professional and valued investment advice. Candidates should have a sound knowledge of all investment instruments including the bullion markets.

Please contact Ian Rennardson

Ridgway House 41/42 King William Street London EC4R 9EN
Telephone 01-626 1161

DEALERS

Several prime International Banks have instructed us to introduce experienced dealers to fill assignments including the following:–

SPOT CABLE	to £27,000	SPOT (x3)	£15-£21,000
DEPOSITS	to £23,000	CORPORATE	c£17,000
DEPO/FWDS	to £20,000	C/D's	neg.
EUROBONDS	neg.	CHIEF M/M	c£40,000

Dealers with a proven track record, who feel their current contribution is not adequately recognised should call to discuss these positions in complete confidence.

Gordon Brown
Bank Recruitment Consultants
57/59 London Wall, London EC2M 5TP
Telephone: 01-628 4501

General Manager

Circa £40,000

WITH GENEROUS BONUS

We are part of a very large and well known British Group, seeking to make a general management appointment in an area which is of immense strategic importance to us. It has already, and will in the future, absorb large amounts of our *capital and its projected growth profile is one of the corner*stones of our five-year plan. It is already established as a European business, with enormous international potential, including trans-Atlantic possibilities. The business scale is *currently* circa *£50 million* but *further major growth* lies ahead. We need a very high-calibre proven chief executive to run the enterprise—this is a job for a dynamic and energetic individual of around 40 years of age.

If you

— Are a general manager with a successful track record in the profitable running of a manufacturing business with a *turnover not less than £15 million.*
— Are used to dealing at the leading edge of technology.
— Have operated effectively and comfortably internationally, ideally having run a business abroad and with relevant language skills.
— Have experience of continuous process production, preferably involving large capital investment.
— Enjoy jobs with a high strategic content.
— Can manage growth and relish a challenge,

then do please write, enclosing some details of your background—obviously *in strict confidence*, to:

Box A0094, Financial Times
10 Cannon Street, London EC4P 4BY

Appointments Wanted

BUSINESS DEVELOPMENT

CANNY! INCISIVE! RESPONSIBLE!

systems-orientated business grad/management accountant with marketing experience seeks projects instituting change and instilling order in developing firms

Contact Box A0093, Financial Times, 10 Cannon St London EC4P 4BY

SALES EXECUTIVES

We are a young city based company providing a range of communication services to financial institutions.

We are looking for sales executives to sell our services. The ideal applicant will be over 24, a self-starter who can communicate at all *levels*, and has sound selling techniques. The ability to analyse and react to the needs of our customers is vital. A good working knowledge of the city is a pre-requisite for this job.

If you have relevant experience, and *feel* that *you would enjoy* working for a Company with enormous potential, and can contribute and participate in its growth, please write to us with your C.V.

We offer a *very good basic salary* and *generous commission* scheme.

Please write to:
Managing Director
CROSSPOINT LIMITED
3 Gracechurch Street, London EC3 0AT

Experienced Spot FX Trader

In line with the overall expansion of the Merrill Lynch group of companies in London, Merrill Lynch International Bank *now* require an experienced dealer with extensive experience in the currency spot markets.

You will need to have the professional skills to reflect the diversity of our brokerage operations, and must have the ability to complement existing expertise as part of an integrated team.

A highly attractive and competitive compensation package will emphasize the *seniority* and importance of the position.

Please write enclosing a CV to Keith Robinson, Recruitment Manager, Merrill Lynch International Bank Limited, 27 Finsbury Square, London EC2A 1AQ.

Merrill Lynch

Accountancy Appointments

WANDSWORTH HEALTH AUTHORITY
FINANCIAL MANAGER
Acute Hospital Services
South London based
To £20,000

This is a new position with one of the major teaching hospitals in the country.
The Unit has a turnover of over £43m and with a large hospital development taking place, this post offers a wide variety of experience in a rapidly changing and challenging environment.
Reporting to the Acute Services General Manager, the Financial Manager will be expected to work as a key member of the management team, providing advice on all financial matters relating to health care provision and developing financial awareness amongst all staff.
Central support will be provided by the District Finance Manager who will also be responsible for the professional accountability of the appointment.
Candidates (male or female) aged 25-35 will be technically strong qualified accountants with mature personal skills and a proven career record to date.
Informal enquiries to either Roger Evans, Unit General Manager, on 01-672 1255 Ext 5080, or Melvyn Esterman, District Finance Manager, on 01-672 1255 Ext 4925.
Further details and application form from the District Personnel Department, Grosvenor Wing, St George's Hospital, Blackshaw Road, London, SW17. Tel. 01-672 1255. Ext 5397. Closing date 10 April, 1986.
An Equal Opportunity Employer

FINANCIAL ACCOUNTING MANAGER

City ***Excellent salary + package negotiable***

THE BANK OF ENGLAND wishes to appoint a Chartered Accountant to manage its financial accounting function.

Primary responsibilities will be the preparation of published and internal accounts and statements, all tax matters and the provision of ad hoc financial accounting advice throughout the organisation.

Candidates should have a minimum of three years' post-qualification experience and be able to demonstrate a comprehensive knowledge of financial accounting, computerised accounting systems and corporate tax, with the ability to apply this acquired knowledge and experience in problem solving.

Candidates, aged 28-35, should have proven abilities in the leadership of a professional team, possessing communication skills for liaison with senior staff. As well as being of interest to candidates with commercial and industrial experience, the post could offer an excellent opening for well-qualified candidates wishing to make a first move away from a professional office.

This opportunity represents a challenging appointment in a stimulating environment for the exceptional candidate who meets the required personal and technical attributes.

Application forms may be obtained by writing to the address below, or by telephoning on **01 601 4518/4618.** Application forms should be returned to the address shown by Thursday, 3rd April.

Applications to: **Mr. D. A. Sharp, Personnel Division (HO5), Bank of England, Threadneedle Street, LONDON. EC2R 8AH.**

BANK OF ENGLAND

Accounting Professionals
BANKING & FINANCE SECTOR

City Based ***to £35,000+Car*** **Age: 28-35**

We are working on behalf of one of the biggest and most prestigious names in worldwide Financial Management Consultancy currently seeking a small number of experienced accountants for senior consulting positions within their well established Banking and Finance Group.

These positions are extensions and enhancements of successful Banking and Finance sector careers. The salaries being offered are realistically geared to reflect this – and to reflect the calibre of individual required.

Consultancy, by its nature, offers variety and intellectual challenge. The work includes strategic, analytical and problem solving studies, developing management information systems, establishing effective financial control procedures and evaluating and implementing complex transaction processing and accounting systems.

The prospects are excellent – partnership if you stay and a considerably heightened market value should you choose to move on.

Candidates will be high calibre accounting professionals – perhaps Financial Controllers, Chief Accountants, Senior Financial or Management Accountants or Senior Systems Accountants – with in depth experience gained in Banking, Securities or other Financial Institutions.

They will have a recognised accounting qualification (AIBs with relevant financial control experience will be considered), excellent communication skills and the personal qualities needed to make effective impact at senior management level.

If you would like to discuss these opportunities, in complete confidence, please write (enclosing career details) or call SUSAN FIRTH.

FIRTH ROSS MARTIN ASSOCIATES, WARDGATE HOUSE, 59A LONDON WALL, LONDON EC2M 5TP. TELEPHONE 01-628 2441

Firth Ross Martin
Financial & Professional Selection Consultants

IN-HOUSE BUSINESS CONSULTANCY
Accountants with systems experience

to £20K package **Hampshire**

TSB Trust Company is the insurance and investment arm of the TSB Group. We are one of those rare companies which can boast unrivalled success and a consistent record of expansion over the last 15 years. Rarer still, we have detailed plans to ensure that this expansion continues for several years to come.

As a result of a reorganisational change, we are now seeking three **Audit Supervisors** to join our business audit management team in a department of 12 people.

The specialist audit function provides a progressive internal management consultancy service in respect of all Company operations. Our "business auditors" play a major role in helping to develop Company policies and procedures, specifically in the following areas:
- Finance, Administration, Sales and Marketing Systems
- Information Systems Development
- Computer Centre Operations
- Operational management
- Computer audit interrogation of Sperry and IBM mainframes as well as mini and micro systems.

The successful candidates will be fully qualified accountants with substantial knowledge of large scale computer based systems. The level of expertise required for the position is unlikely to be seen in candidates with less than two years' post qualification experience, gained in an auditing or systems environment. In addition to the above package, which consists of basic salary plus mortgage subsidy, we also offer:-
- Non contributory pension
- Christmas bonus
- Profit sharing
- Free BUPA
- 26 days' holiday
- Flexible working hours
- Relocation package.

If you feel you can demonstrate the knowledge, experience and commitment necessary to this demanding role, please telephone or write for an application form to Bill Brewer, Personnel Resourcing Manager, Personnel Department, TSB Trust Company Limited, Keens House, Andover, Hants SP10 1PG.
Telephone Andover (0264) 56789 ext 2174.

TSB
TRUST COMPANY

Systems Accountant

DEWHURST
The Master Butcher

The integration of the Baxter chain of butchers shops into Dewhurst has been completed. The next phase of Dewhurst's operational development is the computerisation of the accounting, administrative and communications activities which will support 1,360 shops, with a total turnover of £250m. The successful hardware supplier for this programme will be announced shortly.

The key appointment is to be made of Systems Accountant at Head Office in London who will implement the software packages selected for Phase 1 at Head Office and select and develop the packages for Phase 2 at Area Offices. This will be followed by the integration of an EPOS system.

A graduate accountant of exceptionally high calibre is required. He or she will be about thirty, and will have at least three years systems experience with a progressive large company or a consultancy firm. The ability to guide staff familiar with manual systems into a full understanding and acceptance of the new systems will be of paramount importance.

A highly competitive benefits package including a car will be offered. Potential for promotion within the Union International Group is outstanding. Please send your C.V., quoting reference 8499, to: Richard Gibbons, Barnett Consulting Group, Providence House, River Street, Windsor, Berkshire, SL4 1QT; telephone Windsor (0753) 858868, who will be processing applications on behalf of the company.

Barnett Consulting Group

parc

Group Chief Accountant

Package around £24,000 plus car

London W2

Our client is PARC LIMITED, a highly successful company based in London and Leeds that provides unique financial services and support to vendors and purchasers of computer and high technology equipment.

Their new Group Chief Accountant vacancy arises from business expansion coupled with internal reorganisation.

A qualified accountant is sought whose academic and professional training has been followed by several years senior experience in a small to medium sized group preferably in leasing or financial services or an allied area.

As well as technical skills the job calls for a personality that fits into a well-planned and responsible enterprise where the open and communicative management style complements vigorous emphasis on the market and on corporate and individual excellence.

Applicants around 30 years of age are asked to write, quoting reference number 1446, with a CV and daytime telephone contact number, to:

BinderHamlyn
MANAGEMENT CONSULTANTS
Trevor Austin, Executive Selection Division
Bindar Hamlyn Management Consultants
8 St Bride Street, London EC4A 4DA

RECRUITMENT MANAGER
£25,000 - £30,000

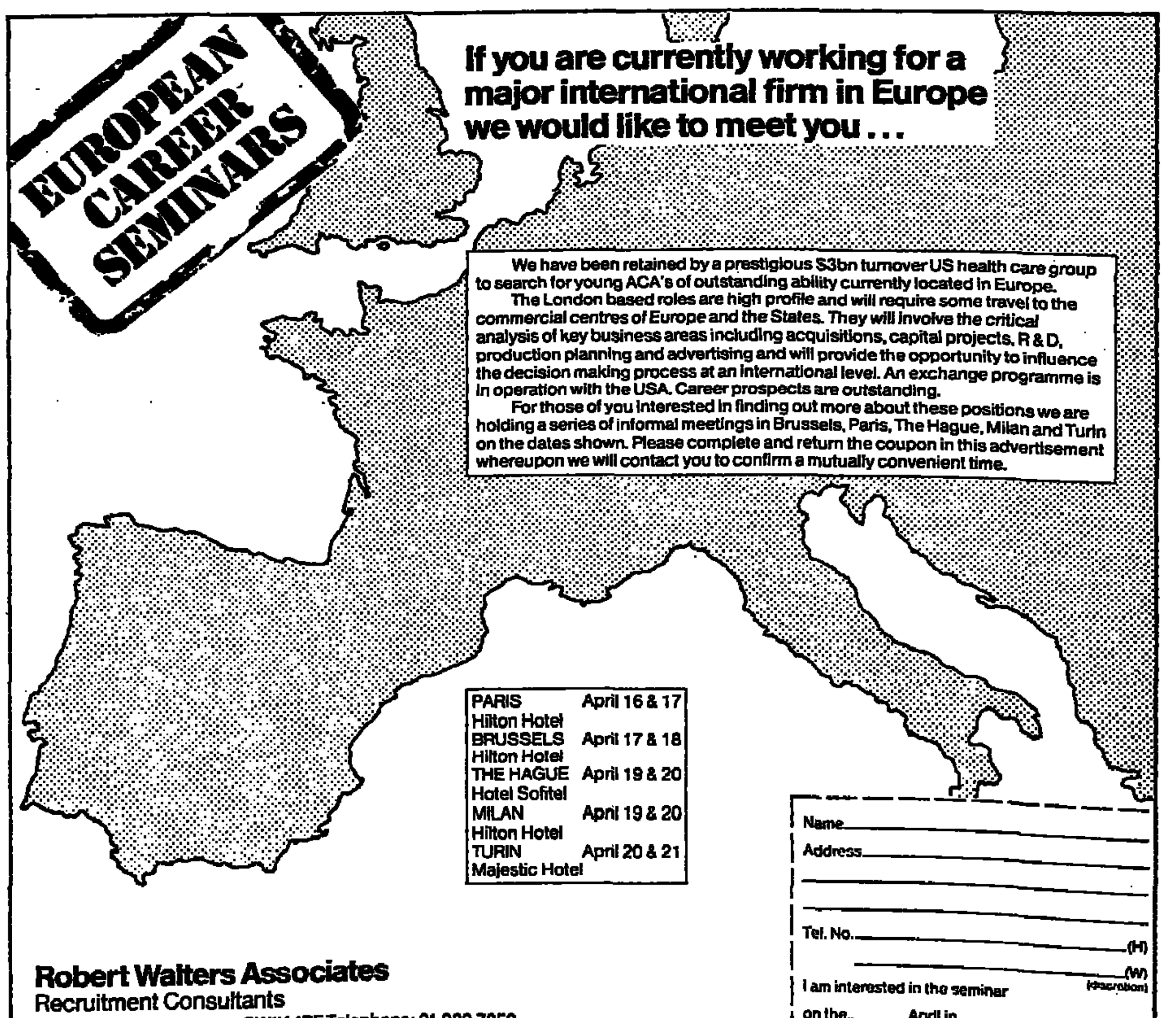
Experienced manager required for the established commercial accountancy division of Ingram Recruitment. A chance to take control. Directorship/equity possibilities.
Contact the MD, Mr B. J. Ingram on 01-629 3555
(Eves to weekend 01-458 5313)

CAREER OPPORTUNITY

As Managing Director of an expanding Group of Companies operating mainly in the South, I am looking for a bright, young and enterprising recently qualified Accountant (ACA or ACMA) to come and join our team. Salary negotiable, car provided. Only those wanting to fully share in our endeavours and to make a career with us need apply.

Please write with full cv to:

The Managing Director, Oakley Investments Ltd
City Gates, 2/4 Southgate, Chichester, West Sussex - Tel: 0243 786648



If you are currently working for a major international firm in Europe we would like to meet you . . .

We have been retained by a prestigious $3bn turnover US health care group to search for young ACA's of outstanding ability currently located in Europe.

The London based roles are high profile and will require some travel to the commercial centres of Europe and the States. They will involve the critical analysis of key business areas including acquisitions, capital projects, R & D, production planning and advertising and will provide the opportunity to influence the decision making process at an international level. An exchange programme is in operation with the USA. Career prospects are outstanding.

For those of you interested in finding out more about these positions we are holding a series of informal meetings in Brussels, Paris, The Hague, Milan and Turin on the dates shown. Please complete and return the coupon in this advertisement whereupon we will contact you to confirm a mutually convenient time.

PARIS Hilton Hotel	April 16 & 17
BRUSSELS Hilton Hotel	April 17 & 18
THE HAGUE Hotel Sofitel	April 19 & 20
MILAN Hilton Hotel	April 19 & 20
TURIN Majestic Hotel	April 20 & 21

Name________________
Address________________
____
____
Tel. No.________________(H)
________________(W) (discretion)
I am interested in the seminar
on the______April in________

Robert Walters Associates
Recruitment Consultants
66-68 Haymarket, London SW1Y 4RF Telephone: 01-930 7850

Group Finance Director
Public company

London/Essex borders c. £30,000 + car

Our client has recently undergone a major Board reorganisation. The group finance position remains to be filled.

The group is engaged in importing, trading and manufacturing activities. Turnover exceeds £40m.

The successful candidate will report to the chairman and will have the task of reorganising the entire accounting, reporting and financial control functions. Applicants should be strong minded qualified accountants who are seeking a challenging role and are able to work in rapidly changing situations. Applicants with an early availability will be preferred.

Please write, enclosing a full c.v., to Douglas G Mizon quoting reference F/636/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

E&W Ernst & Whinney

ACCOUNTANCY APPOINTMENTS ADVERTISING

£41 per Single Column Centimetre and £12 per line. Premium positions will be charged £49 per Single Column Centimetre

For further information, call:

Louise Hunter
01-248 4864
Jane Liversidge
01-248 5205

Accountancy Appointments

Corporate Recovery

In the Corporate Recovery practice at Arthur Young we are specialists in appraising businesses with liquidity or profitability problems. Our work includes the investigation, reconstruction and monitoring of companies. An understanding of business and a capacity to take commercial decisions are part of the skills required.

We need first rate chartered accountants, with or without relevant experience, who wish to develop their career in our team. You must be self-motivated, ambitious and have excellent commercial and personal skills to succeed in a demanding environment.

In return, we can offer a highly competitive salary and first class opportunities for career progression.

If you are interested, please contact Kate *Atkin on 01-831 7130 for an informal discussion* or write to her in confidence enclosing concise personal and career details at:
Arthur Young, Rolls House,
7 Rolls Buildings, Fetter Lane,
London EC4A 1NH.

Arthur Young
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Operations Manager

£30-35,000 + Excellent Benefits

Our client, a leading North American securities house, currently seeks to recruit an Operations Manager to head up its expanding operations function.

The ideal candidate will already have reached manager level within a well respected institution and have gained broad experience over a wide range of settlements, including Eurobonds, Foreign Exchange and Equities. The ability to control and co-ordinate a highly successful team is essential, as are strong management reporting skills. This senior position reports to the organisation's Financial Director.

The remuneration package is negotiable, according to previous experience, and benefits will include a car and a generous bonus.

Interested applicants should contact Kate Syms on 01-404 5751, or write to her, enclosing a comprehensive Curriculum Vitae, at 39/41 Parker Street, London WC2B 5LH, quoting ref: 3615. Over the Easter holiday she can be contacted on 01-847 5263.

MP
Michael Page City
International Recruitment Consultants—London Brussels New York Sydney
A member of the Addison Page PLC group

Financial Director

Oxfordshire

£30,000 package + profit-related bonus + share option

The Countrywide group comprises one of the UK's leading independent public relations consultancies and a rapidly growing marketing, advertising and design agency.

The Board of Directors is seeking to appoint a Financial Director to assume overall responsibility for the financial *control of the company and take a significant involvement* in planning the continued growth of the business.

The group is expanding rapidly in Banbury and London, with over 90 employees and sales in 1985/86 of around £5m. Ambitious growth plans for the next five years will *ensure a very stimulating environment.*

Based in Banbury, the successful candidate will be responsible for:

- The management of the finance function, including maintaining and reporting on the company's financial performance.
- Controlling and developing computerised management information reporting systems.
- Assisting the Board of Directors in appraising and executing a progressive development programme.
- Co-ordinating the group's developing corporate relationship with its professional advisers and bankers.
- Company secretarial duties.

The preferred age range is 30-40 years and the successful candidate must be able to satisfy the above criteria by reference to professional and commercial experience obtained from previous employment.

Applicants who believe they meet the requirements set out above should apply in writing quoting reference MPW/LIJ to:

David Rowley,
Executive Selection Division,
Peat, Marwick, Mitchell & Co.,
Peat House, 45 Church Street,
Birmingham, B3 2DL.

PEAT MARWICK

Entrepreneurial Newly Qualified ACA

City **£20,000 + Benefits**

Our client, a small dynamic commodity broker, is part of a very successful financial services group which is currently on the brink of an exciting phase of expansion.

As a result the Financial Director requires a commercially minded young ACA to assist with the development of the commodity broking house. The broad role will encompass considerable client liaison, financial analysis and responsibility for the financial and management accounting functions.

In selecting the suitable candidate heavy emphasis will be placed upon the individual's personal qualities, management ability and business acumen.

If you feel you meet these requirements, please contact Hugh Everard on 01-831 2000 or write to him at Michael Page Partnership, 39/41 Parker Street, London WC2B 5LH, quoting ref. L2068.

MP
Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Financial Planner in Satellite Communications

Euston, London **£ Substantial**

INMARSAT provides a unique global satellite communications system to shipping, and is now extending its services to aircraft as well. An International cooperative, with 45 member countries, and a multi-national staff all based in London, INMARSAT operates on a commercial basis. We have over 4000 users in the maritime and offshore industries so far, but we are constantly seeking ways to expand and enhance our communications services.

We are looking for a Financial Planner who is a self starter with sound knowledge of professional accounting practice and over seven years' experience in financial and strategic planning in a telecommunications environment. The ability to integrate technical inputs into financial and business plans and work efficiently with Lotus 1-2-3 and EPS packages is required. The post-holder will be responsible for maintaining the financial planning/simulation model, produce the financial plans and keep up to date on techno-economic data and issues. The need to assess the financial and business impact of new services or service enhancements is an integral part of the mandate.

We offer an extremely attractive salary package including a comprehensive social security scheme. Telephone 01-387 9089, telex 297201 INMSAT G, or write for an information pack, or send career details to-

The Personnel Manager,
INMARSAT,
40 Melton Street,
London NW1 2EQ.

INMARSAT

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Young Graduate Accountants

International High Technology Company
£17,000–£20,000, Car

Above average graduate accountants aged 25–30 are invited to apply for these high profile appointments within the Supply Division of one of Britain's foremost high technology manufacturing companies. You must have a minimum of two years experience of computer-based financial and management reporting systems, have strong written and oral skills, be creative and self-motivated, and deadline orientated.

Controller — *Hertfordshire*

To be responsible through a support team of 12 for the financial control of an annual inventory throughput of £400 million and a substantial warehousing and distribution budget. A position providing wide exposure to manufacturing, supply and marketing management. *Ref: 27424/FT.*

Project Accountant — *Hertfordshire or Staffordshire*

In liaison with IS professionals, to plan and manage the implementation of new management reporting and financial systems, including interfaces with both operational and group financial systems. Additionally, to undertake ad hoc commercial projects in all areas of the Supply Division. *Ref: 27425/FT.*
Normal major company fringe benefits are applicable to these positions.

R.D. Howgate, Male or female candidates should telephone in confidence for a Personal History Form, **061-832 3500, Hoggett Bowers plc,** *St. John's Court, 78 Gartside Street,* **MANCHESTER,** *M3 3EL*, quoting appropriate reference number.

CHIEF ACCOUNTANT—RETAILING

YORKSHIRE **£17,000 to £20,000**

A Chief Accountant is needed to fill the senior financial position in the Retailing Division of a major P.L.C., Yorkshire based. The Company has 200 confectionery, tobacco and newsagent retail outlets nationwide and is expanding at a fast pace.

Reporting to the Managing Director, the Chief Accountant will be responsible for providing monthly management accounts, cash flows, budgets, profits forecasts and other financial information for both local management and Group Head Office use.

He or she will also be expected to contribute significantly to the commercial success of the Company.

Aged 30 to 45, candidates should hold a recognised Accounting qualification and have previous experience of heading an Accounts Department in the retail sector. As well as being a self-starter and having a keen preference for close involvement in commercial decision-making, the successful candidate will have had previous micro-computing and spread-sheet experience.

Please send details of previous experience and salary history to:
Box A0098, Financial Times
10 Cannon Street, London EC4P 4BY

GROUP FINANCIAL CONTROLLER

£25,000 p.a. + car and benefits

The Job:

Housebuilding group with substantial turnover. Reporting to Finance Director to control all financial functions.
Location — Surrey.

The Successful Candidate:

Will be under 30 and qualified A.C.A. with an ability to communicate at Board level and positive decision-making and organisational skills. *Membership of the* Institute of Taxation will be an advantage though not essential.

The Next Step:

If the job sounds interesting and you fit the profile, please send your c.v. to:
Box A0095, Financial Times
10 Cannon Street, London EC4P 4BY

Financial Director

West London **up to £30,000 + Car + Directors' Share Option Scheme**

Our client is GM Health Care Ltd, a rapidly developing company within the Contract Services Division of Grand Metropolitan plc.

The Company has acquired or constructed a number of small to medium size (20-50 beds) hospitals, mainly in the provinces, concentrating on private acute care i.e., short-term admissions for surgery or for intensive care.

The business, having a turnover around £10 million and profitable, is now poised for a period of very fast growth accompanied by a substantial programme of capital expenditure.

Headquartered at Hammersmith, the small Head Office team supervises a lightly structured *organisation and manages in a flexible and fast-reacting style.*

The Financial Director will report to the Managing Director and should:-

- be a qualified accountant, aged probably 28-35.
- hold senior financial management responsibility – eg director, controller or financial planning manager – in a lively commercial environment, probably within the services sector, or in a consumer products company or possibly with a large contracting organisation.
- *have experience of the development of computer-based business systems.*
- be a commercially oriented and decisive manager.

Future propects within the Company, Division and Group are excellent.

The usual large group security benefits apply, together with a valuable Share Options Scheme for Directors. Removal costs will be met and help given with other problems associated with re-location.

Initial meetings will be arranged locally, possibly outside office hours.

Telephone John Hearn for a brief discussion, or write to this address:

Hearn Healy & Partners
Management & Recruitment Consultants
Westmorland House, 127 Regent Street, London W1R 7HA. Tel: 01-734 6267

OPPORTUNITY IN MILAN

YOUNG QUALIFIED ACCOUNTANT

c. £20,000 p.a.

As part of a major expansion programme, an international financial institution has set up a company in Milan and now requires an Italian-speaking Accountant to set up and maintain the company's accounts and manage their integration into the Group's UK system.

The position requires a self-starter who wishes to leave the profession for the financial world. Training in Italian accounting methods will be provided.

Please write to: Group Personnel Manager, Box A0101
Financial Times, 10 Cannon Street, London EC4P 4BY

DIVISIONAL FINANCIAL CONTROLLER

West London **Excellent Neg Salary/ Bonus plus Car**

Our client is an international manufacturing Group turning over in excess of **£20M.** An **important Divisional contributor (t/o £5.5M)** is the UK's leading innovative **designer and manufacturer** of textile labels and badges, with factories in UK, Ireland and USA, a subsidiary in West Germany, and an associate company in Japan.

Now sought is a **qualified accountant,** aged 27–40, with **manufacturing experience in an international environment,** to head up the Divisional accounting function, reporting to the **Divisional Managing Director.**

Salary with profit related bonus **is negotiable,** and Group *benefits are excellent.* **Progression potential is good** within a Group dedicated to future profitable growth.

Candidates, male and female, please write with full career and salary details to David T Bentley, Senior Consultant, 3i Consultants Limited, 5 Victoria Street, Windsor, Berkshire. SL4 1EZ, quoting Ref: DB/588.

3i Consultants Ltd
Human Resources Division

FINANCIAL CONTROLLER

Lloyd's Underwriting Agency

cira £25,000 + car

An expanding Lloyds registered Managing Agency is looking for an FCA with Panel Audit and/or previous Agency experience. Good Board prospects.

For further information please contact: D. R. Whately whose private telephone No. is 01-623 9227. The reference to quote is No. 644

WHATELY PETRE LIMITED
Executive Selection
6, Martin Lane, London EC4R 0DL
WPL

Accountancy Appointments

Corporate Tax Management

Top Career – Growth Opportunity

Midlands : £16,000 – £27,000 + Car

Our client is the Birmingham practice of a major international accountancy firm fast becoming the UK's *leading provider of business services. The practice operates* the largest tax department in the provinces and this key appointment will play a major part in managing/developing its corporate tax business.

Candidates must *either* be young fast-track professionals with real potential *or* aged around 30 to 35 with first class technical expertise in corporate tax and VAT and proven management ability; ACA/ATII essential. The preferred background is that of another leading firm, although applications from those *with relevant Inland Revenue experience* will be welcomed. Leadership ability, together with a determined approach to business growth and development, is essential.

Starting salary will be in the range quoted according to qualifications and experience; attractive benefits will include quality car and relocation help to the Midlands. Initial success will provide genuine opportunities for personal skill development and the prospect of promotion to Partner.

Please write – *in* confidence – with *full* career details, *stating clearly how the specification is met* Andrew Russell ref. B.76462.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
12th Floor, Centre City Tower, 7 Hill Street, Birmingham B5 4UA.

Offices in Europe, the Americas, Australasia, and Asia Pacific.

HAY-MSL

FINANCIAL SERVICES

P&O
Assistant to Managing Director

Town and City Properties (Overseas) Ltd, a subsidiary of the P&O Group, is the holding Company for P&O's £100m overseas property portfolio and operations, which are located in the USA and Europe.

The Managing Director requires a qualified accountant to assist him in the management and financial control of the overseas properties. We are seeking an enterprising, commercially aware accountant with a lively, enquiring mind, capable of acting on his/her own initiative. The MD spends frequent and long periods abroad and he needs an able stand-in.

The successful applicant will probably be in his/her late 20s and already have some commercial experience, preferably within the property industry. Direct responsibility will be given to the job holder in respect of the European properties; some overseas travel will be required.

This appointment offers an ideal opportunity to make a significant contribution in a small highly professional team. An attractive remuneration package is offered including a company car.

Please send full CV quoting current salary to
W E Hedley CBE, Personnel Manager,
The Peninsular and Oriental Steam
Navigation Company, Kent House (Floor 22),
Upper Ground, LONDON SE1 9PA

Financial Controller

To £25,000 + Car. Home Counties

This is a rapidly developing Sales & Marketing Division of a highly successful American multinational. The Division, with new products *and services directed at* specialist growth sectors of the telecommunications market, has grown quickly *to a £50 million business and will increase its* substantial share of the market as it develops.

The Financial Controller's role will range from management of financial analytical and control activities, through ad hoc business reviews to leading negotiations with major customers and financial institutions. There will be *significant personal contact internally with UK and US Management.*

Applicants should be graduate qualified accountants with recent exposure to a fast moving marketing business and accomplished at achieving management objectives. A broad experience is required of financial accounting and financial analysis to the stringent standards associated with an American *multinational business. Age guideline – early 30's.*

Please apply in confidence quoting ref. L 226 to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Taking COMPUTER AUDIT *onto a higher plane*

Our Audit Services Department is an independent function reporting to the highest levels of management under the widest terms of reference. Its role involves assignments arising from *the annual audit plan plus* a wide variety of special consultancy assignments.

So what?, you might say. So, let's now put this into perspective.

Apart from the services The Stock Exchange provides for the whole of the UK Securities Industry in the form of Trading, Information and Settlement systems, there is also a growing involvement with European Stock Exchanges with plans to extend these services to the USA, Canada, Japan and the Far East.

The scale of computerisation is enormous, employing the latest and most advanced hardware and software supplied by the majority of the major manufacturers.

We haven't yet mentioned 'Big Bang', scheduled for this coming October, with all of the attendant enhancements and developments of our services which this will entail. *Developments which will continue for some years after the initial 'Bang', moving towards even more sophisticated systems and international links.*

It will be immediately apparent that appraisal of all of our activities on both operations and systems development and the introduction of adequate controls is critical.

You will be joining a high-powered unit where, with a total overview of the organisation, you will be involved in a wide variety of work including special consultancy assignments requested by senior management. You will also be given the widest possible exposure in order to develop broadbased skills essential to your future career development.

The people we are seeking will be experienced Computer Auditors with a first-class track record. A formal accounting qualification would be an advantage, although EDP specialists with relevant experience will also be considered for these challenging posts. *We are seeking candidates of the highest calibre, therefore salaries and benefits will be competitive.*

Please apply with a full c.v. to Jen Ross,
Senior Personnel Officer,
The Stock Exchange, Old Broad Street, London EC2N 1HP.

The Stock Exchange

DIVISIONAL CHIEF ACCOUNTANT

Leicestershire **£20,000+car**

This new position arises as a result of growth both internally and by acquisition within this expansive and highly profitable service division of a major British PLC.

Their need is for a Qualified Accountant, aged probably late 20's to mid 30's possessing the drive and desire for involvement which is commercially minded and profit orientated.

Reporting to the Divisional Financial Director, the successful candidate will be a critical interface between regional management *teams at both director and finance* level and the divisional board.

The emphasis therefore in selection will be on inter-personal skills, communication ability and business acumen as well as accounting techniques and experience of both mainframe and micro-computer applications.

As expansion continues, career development for the successful candidate can be anticipated.

Applicants should write with full details of career to date and present earnings to Brian J. Smith, ACMA, quoting reference no. FT0303 at:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP

Influential Audit roles in a major financial group

Imperial Trident Life Limited, *the product of a recent amalgamation,* is one of the leading forces in the life *assurance industry, and a member of the* international Laurentian Group. *The group now offers a comprehensive* portfolio of financial services including *insurance brokerage, unit trust,* investment management and property. *Amalgamation and relocation to new* purpose-built offices during 1987 have *provided a favourable opportunity for* strategic reorganisation; the group is in *the process of securing a sound* commercial base for future corporate *development.*

We are looking for high *potential accountants from a respected* professional background to undertake challenging, non-traditional roles at the centre of this developing financial enterprise.

Audit Manager
negotiable package c. £18,000 + car + benefits

This is primarily an internal consultancy role. You will actively review operational systems, procedures and management controls of member companies, and specialise in ad hoc trouble shooting projects. Leading a small team, you will appraise systems, recommend and promote improvements and subsequently evaluate the results of such implementations.

You will be a qualified accountant *with at least 3 years' post-qualification* experience, including either managerial *or advanced investigatory* work. Proven communication and presentation skills are essential and you will need a resolute but diplomatic approach to introducing change.

Internal Auditors: two posts
negotiable package c. £15,000 + car loan + benefits

A recently qualified accountant, you will be keen to undertake an influential and highly visible role. Liaison with all levels of management demands good communication skills as well as a determined approach to presenting your professional opinion.

These appointments have arisen following internal promotion; for the high calibre professional there are excellent prospects of advancement into senior management positions within this rapidly evolving organisation.

Relocation assistance is available for the move to Gloucester, an area offering a *superb quality of life* and comprehensive leisure and cultural facilities.

Write now with full career details to: Mr. A. Austin, Personnel Director, Imperial Trident, 69 London Road, Gloucester GL1 3LE, or telephone Vicki Atkinson for an application form on (0452) 500500.

IMPERIAL LIFE Trident Life

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY

Rate £41 per single column centimetre plus VAT

Senior Tax Adviser

International Group

c£25,000 + car London

Recent re-organisation at the central London headquarters of this leading British group, has led to the requirement for a person of considerable experience who will join a small team concerned with corporate tax accounting.

Reporting to the Group Tax Manager, the Senior Adviser will be primarily responsible for preparation, explanation and agreement of the group's tax liability with the Inland Revenue. In addition, he or she will actively assist the Group Tax Manager with advice to management on the tax implications of the group's international business operations.

The person appointed will be a qualified accountant, who has a detailed knowledge of UK corporate tax, together with a working knowledge of overseas tax, including international double taxation agreements. Whilst age is not critical, it is likely that the successful candidate will be aged 35–40.

Salary will be for discussion around £25,000, plus car and a range of large-company benefits.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Ian White ref. B2369.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia, and Asia Pacific.

HAY-MSL

CONFIDENTIAL ADVERTISING

Financial Controller

London **c£25,000 + car**

An outstanding opportunity has arisen within a subsidiary of a large and well known international communications group, which provides a range of professional services to City institutions and leading organisations.

Aged 30-35, the successful candidate, a qualified accountant, will be able to demonstrate a record of successful man-management and a close involvement with computerised accounting systems. A self starter, you must expect to be involved fully in the development of the business.

Reporting to the Finance Director, this is a newly created position situated in a dynamic and demanding working environment. For the determined individual who successfully meets the challenges these pose, the prospects both in the short and long term are excellent.

Candidates should write to John Cockerill BSc, FCA enclosing a comprehensive curriculum vitae, day time telephone number and quoting ref. 310, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

MP

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Financial Controller

Around £23-25,000 plus car
London SW1

Our client is I.G. Index Limited, a well-known dealer in stock indices, financial futures and commodities with a *fine record of responsible* and profitable trading. Their vacancy for a Financial Controller offers an opportunity to participate at a high level in an expanding company engaged in one of the fastest growing areas of the securities business.

The applicant should be a qualified accountant with several years of post-qualification experience at controller level, *preferably with a stockbroker or commodity broker.* A good knowledge of City banking and business affairs generally would be an advantage.

The post carries responsibility for computer installations, so computer literacy is needed as well as a sound *accounting background. Ability* to work comfortably and with authority in a small team of young professionals is also important.

Interested applicants around 30 years of age are asked to write, with a CV and daytime telephone *number* quoting reference 1447 to:

BinderHamlyn
MANAGEMENT CONSULTANTS
Trevor Austin, Executive Selection Division
Binder Hamlyn Management Consultants
8 St Bride Street, London EC4A 4DA

GROUP FINANCIAL CONTROLLER

£25,000 + Car + Benefits

The job: House building group with substantial turnover reporting to Finance Director to control all financial functions. Location — Surrey.

The *successful* candidate: Will be under 30 and qualified ACA with an ability to communicate at board level and positive decision-making and organisational skills. Membership of the Institute of Taxation will be an advantage though not essential. The next step: If the job sounds interesting and you fit the *profile, please* send your curriculum vitae to:

Box A0102, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Company Notices

WHITBREAD AND COMPANY, LIMITED
£15,000,000 10½ per cent. Sterling Foreign Currency Bonds 1990

Notice is hereby given that, in accordance with the Conditions of the Bonds, 753 Bonds each of £1,000 principal amount have been drawn for repayment at their principal amount on the 15th April 1986 in full settlement of the instalment of the sinking fund due 15th April 1986, the balance having been purchased for cancellation. From that date, interest on the Bonds so drawn will cease to accrue; their definitive numbers are as follows:—

15	2078	5101	6179	9178	9963	10440	10906	11392	12183	12751	13279	14384
42	2079	5107	6182	9199	9975	10441	10918	11398	12187	12785	13280	14387
55	2455	5111	6200	9214	9978	10455	10923	11399	12222	12788	13329	14388
65	2535	5131	6257	9220	9992	10458	10933	11427	12241	12790	13330	14394
66	2550	5169	7312	9223	9993	10470	10940	11430	12245	12791	13331	14395
143	2564	5202	7317	9227	10007	10475	10948	11434	12280	12793	13332	14435
172	2568	5207	7343	9249	10010	10485	10957	11437	12288	12796	13333	14441
204	2571	5227	7347	9251	10022	10492	10964	11448	12322	12798	13905	14444
213	2574	5241	7355	9277	10027	10500	10974	11477	12326	12800	13906	14446
247	2576	5270	7373	9287	10037	10509	10979	11482	12333	12818	13911	14481
248	2695	5277	7381	9327	10044	10515	10990	11488	12352	12821	13914	14482
249	2998	5281	7393	9358	10052	10526	10994	11497	12365	12828	13919	14487
300	3031	5294	7409	9365	10061	10530	11007	11501	12370	12829	14006	14491
306	3032	5320	7415	9367	10067	10543	11010	11508	12375	12833	14007	14494
307	3045	5323	7417	9369	10078	10545	11023	11519	12383	12835	14008	14495
308	3527	5342	7454	9371	10082	10560	11032	11527	12433	12840	14009	14496
309	3541	5358	7475	9387	10095	10562	11033	11530	12437	12841	14010	14534
389	3572	5362	7478	9410	10097	10575	11047	11533	12441	12847	14067	14535
476	3587	5365	7505	9412	10112	10579	11050	11555	12447	12848	14068	14536
485	3648	5393	7513	9431	10114	10590	11061	11566	12483	12881	14076	14537
763	3665	5403	7515	9441	10127	10596	11068	11601	12487	12882	14079	14538
789	3671	5502	7525	9451	10131	10605	11076	11609	12491	12886	14080	14562
813	3675	5505	7551	9496	10142	10613	11085	11621	12494	12888	14142	14563
853	3676	5507	7552	9502	10148	10620	11089	11629	12496	12891	14143	14570
884	3679	5522	7575	9508	10157	10630	11104	11656	12529	12893	14166	14574
885	3683	5580	7581	9536	10165	10635	11106	11685	12532	12895	14172	14576
1322	3689	5590	7595	9542	10172	10647	11119	11688	12535	12896	14173	14622
1326	3694	5595	7601	9545	10182	10650	11123	11691	12538	12931	14178	14623
1328	3742	5614	7609	9569	10187	10664	11134	11694	12541	12934	14193	14625
1333	3754	5617	7612	9588	10199	10665	11139	11712	12544	12937	14196	14634
1334	3755	5635	7622	9612	10202	10679	11150	11747	12565	12939	14200	14646
1339	3772	5714	7647	9624	10216	10682	11156	11752	12570	12941	14202	14650
1353	3777	5722	7662	9645	10217	10694	11165	11758	12575	12942	14208	14657
1384	3782	5745	7668	9651	10231	10699	11173	11760	12578	12943	14247	14660
1665	3794	5755	7677	9668	10234	10709	11180	11794	12583	12944	14250	14663
1710	3802	5768	7680	9687	10246	10716	11192	11801	12588	13032	14253	14668
1713	3841	5793	7681	9690	10251	10724	11194	11808	12592	13033	14254	14669
1720	3850	5820	7691	9724	10261	10733	11205	11844	12612	13060	14255	14774
1762	3852	5822	7719	9743	10268	10739	11214	11849	12617	13061	14256	14782
1768	3864	5823	7750	9753	10276	10750	11222	11852	12621	13066	14257	14802
1812	4013	5824	7753	9761	10285	10754	11232	11889	12624	13067	14258	14816
1815	4017	5828	7762	9808	10291	10767	11235	11894	12625	13068	14264	14822
1818	4021	5830	7772	9814	10302	10769	11241	11897	12626	13105	14267	14824
1821	4024	5851	7776	9819	10306	10784	11244	11899	12630	13115	14303	14827
1824	4034	5863	7777	9828	10319	10785	11249	11903	12635	13121	14304	14829
1825	4043	5874	7785	9833	10321	10800	11253	11927	12638	13124	14314	
1853	4060	5914	7790	9864	10336	10802	11262	11940	12673	13125	14316	
1873	4062	5925	7796	9865	10338	10815	11286	11947	12677	13129	14318	
1874	4066	5928	7803	9873	10351	10819	11291	11991	12681	13133	14323	
1880	4431	5937	7839	9888	10355	10830	11299	11999	12685	13134	14327	
1881	4477	5940	7846	9890	10366	10836	11311	12034	12688	13135	14339	
1886	4486	5979	7858	9903	10372	10845	11321	12040	12728	13136	14343	
2029	4505	5986	7958	9907	10381	10853	11332	12047	12731	13201	14346	
2030	4563	5987	8182	9918	10389	10860	11338	12060	12734	13216	14348	
2065	4585	6035	9120	9924	10396	10870	11343	12090	12738	13258	14350	
2066	4587	6050	9121	9933	10406	10875	11344	12096	12740	13262	14369	
2067	4683	6099	9146	9941	10411	10887	11366	12117	12742	13267	14373	
2068	5044	6152	9159	9948	10423	10890	11371	12156	12745	13271	14382	
2069	5069	6178	9175	9958	10426	10903	11377	12163	12748	13276	14383	

The Bonds were drawn in the presence of Mrs. K. J. Bennett and Miss J. D. Reid, Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

On or after 15th April 1986, the above Bonds may be presented for redemption at their principal amount at the specified offices of the paying agents appointed as mentioned in the Conditions of the Bonds. Each of the above Bonds, when presented for redemption, must be accompanied by all the Coupons maturing after the redemption date. If such Coupons are not attached, the amount of the missing unmatured Coupons will be deducted from the sum due for payment. The Coupons due on 15th April 1986 should be presented for payment in the normal manner.

27th March 1986

Whitbread and Company, Limited

Company Notices

NOTICE OF PREPAYMENT

Crédit Foncier de France

US$ 150,000,000
Floating Rate Notes due 1999

In accordance with paragraph "Prepayment" of the Terms and Conditions of the Notes, notice is hereby given that Crédit Foncier de France will prepay at par on the Interest Payment Date falling on April 30, 1986 the total amount remaining outstanding of the above mentioned Notes (i.e. US$ 325,000)

Payment of interest due on April 30, 1986 and reimbursement of principal will be made in accordance with the Terms and Conditions of the Notes.

Interest shall cease to accrue on Notes as from April 30, 1986.

Luxembourg, March 27, 1986

The Fiscal Agent
KREDIETBANK
S.A. LUXEMBOURGEOISE

WITWATERSRAND GOLD MINING COMPANY LIMITED

(Incorporated in the Republic of South Africa)
INTERIM PROFIT ANNOUNCEMENT

The unadited results of the company and its subsidiary for the 6 months ended 31 December 1985 are as follows:

	Six months ended 31 December 1985 (unaudited) R000's	Six months ended 31 December 1984 (unaudited) R000's	Year ended 30 June 1985 (audited) R000's
Profit before interest and taxation	72	15	109
Interest paid	15	10	31
Profit before taxation	57	5	78
Taxation	29	—	39
Profit after taxation	28	5	39
Number of shares in issue (000's)	469	469	469
Earnings per share	5.9 cents	1 cent	8.3 cents
Dividends per share	—	—	5 cents
Interest bearing borrowings (R000's)			
—Long term	—	—	—
—Short term	150	250	150
	150	250	150

RESULTS

The results have been improved by the higher tributing revenue received due to the increased rand value of gold revenue during the period.

DIVIDENDS

The Board have resolved to continue their policy of declaring dividends annually. Accordingly no interim dividend will be paid.

By order of the Board
ORIENTAL TRUST COMPANY LIMITED
Secretaries
Per: E. KARRIM

Registered Office:
5 Bezuidenhout Street,
Ferreirasdorp,
Johannesburg 2001.

Transfer Secretaries:
Hill Samuel Registrars (S.A.) Limited
Hill Samuel House
Ground Floor
101 Market Street
Johannesburg 2001

Johannesburg
24 March 1986

Notice to Holders of 7½ per cent. Convertible Bonds due 1998 of AMEDCO International Finance N.V.

Copies of the financial statements and accounts of AMEDCO International Finance N.V. for the year ended December 31, 1985, as certified by Price Waterhouse, independent accountants, together with copies of the Annual Report to Stockholders and Form 10-K Annual Report to the United States Securities and Exchange Commission of AMEDCO Inc., the parent of AMEDCO International Finance N.V. and guarantor of the Convertible Bonds, are available upon request to the Office of the Secretary, AMEDCO Inc., PO Box 14351A, St. Louis, Missouri 63178, United States of America.

Charles E.H. Luedde, Esq.
Secretary, AMEDCO Inc. and
Attorney-in-fact for
AMEDCO International Finance N.V.

WALT DISNEY PRODUCTIONS

NOTICE IS HEREBY GIVEN to all the holders of Walt Disney Productions 12½% Notes due October 1, 1987, Walt Disney Productions International Finance N.V. 12½% Guaranteed Notes due March 15, 1989, Walt Disney Productions 9⅛% Ecu Notes due March 29, 1995 and Walt Disney Productions 8¾% Ecu Notes due February 25, 1994, that effective February 11, 1986 the name of Walt Disney Productions has been changed to the Walt Disney Company.

1. The Notes will not be exchanged, nor will the Notes be stamped to underline the change in the name of the above mentioned issues.
2. The Notes will continue to be listed on the Luxembourg Stock Exchange under the former name Walt Disney Productions followed by the new name The Walt Disney Company.

For and on behalf of the Company by Bank of America National Trust and Savings *Association* as Fiscal Agent

USD 100,000,000 SOCIETE NATIONALE DES CHEMINS DE FER FRANCAIS

12¼% *Guaranteed Notes* due 1992 with detachable Warrants to Purchase US$ 100,000,000 12¼% Guaranteed Notes due 1992

NOTICE OF PARTIAL REDEMPTION

NOTICE IS HEREBY GIVEN that pursuant to the fiscal agency agreement dated as of December 13th, 1984 between SNCF and Banque Nationale de Paris (Luxembourg) S.A., the following *Notes* in the principal amount of US$7,000,000 *have been drawn by lot and are* due for redemption on April 28th, 1986 at the offices of the paying agents at 101% and together with accrued interest thereon to said redemption date.

101928-102360 102989-103103
102369-102457 103196-103219
102933-102951

The Fiscal Agent
Banque Nationale de Paris
(Luxembourg) S.A.

B.A.I.I. FINANCE COMPANY N.V.

US$50,000,000 Floating Rate Notes 1983-1991

The rate of interest applicable to the interest period from March 27 up to September 30, 1986 as determined by the reference agent is 7⅞ per cent per annum namely US$201.28 per note of US$5,000.00.

CANADIAN PACIFIC LIMITED

(Incorporated in Canada)

ONTARIO & QUEBEC RAILWAY COMPANY
5% DEBENTURE STOCK
6% COMMON STOCK

In preparation for the payment of the half-yearly interest payable on June 1 next, the Debenture Stock Transfer Books will be closed at 3.30 p.m. on May 1 and will be re-opened on June 2.

The half-yearly interest on the Common Stock will be paid on June 1 to holders of record on May 1.

W. E. REEVE, Deputy Secretary
50 Finsbury Square,
London, EC2A 1DD.
March 27, 1986.

ROBECO

Robeco N.V. announce a cash dividend of Fls 2.92 per ordinary share of Fls 10 (Fls 0.292 per sub-share) for the financial year 1985.

BEARER SHARE WARRANTS WITH COUPONS ATTACHED

Coupon No 84 accompanied by the appropriate claim form should be presented to the Company's Paying Agents, National Westminster Bank PLC, Stock Office Services, 3rd Floor, 20 Old Broad Street, London EC2N 1EJ, on business days between the hours of 10 a.m. and 2 p.m. Claims must be submitted by personal presentation. Postal applications cannot be accepted.

The dividend will be payable at Fls 2.92 per share, less tax as appropriate, as from 8th April 1986 against surrender of Coupon No 84.

Coupons presented by, or on behalf of, shareholders who are subject to United Kingdom Income Tax will be subject to Netherlands Dividend Tax at the rate of 15% and United Kingdom Income Tax at the rate of 15% on the gross dividend. Forms 92 VK will not be required in respect of claims lodged within six months of the payment date. Coupons No 84 presented on or after 8th October 1986 must be accompanied by a completed Form 92 VK duly certified by the individual shareholder's Inspector of Taxes.

If the coupons presented are accompanied by the appropriate certified Forms 92 supplied by residents of Australia, Austria, Belgium, Canada, Denmark, Finland, France, The Federal Republic of Germany, Indonesia (reduction to 20% only), The Republic of Ireland, Israel, Japan, Luxembourg, the Netherlands Antilles, New Zealand, Norway, Singapore, South Africa, Spain, Surinam, Sweden, or the United States of America, Netherlands Dividend Tax amounting to 15% will be withheld. Forms 92 VS must be submitted in duplicate, signed by the applicant, but need not be authorised by the U.S. Inspector of Taxes.

Residents of Switzerland can apply for a partial refund by submitting a Form R-NL 1 to Dutch Fiscal Authorities. This form can be obtained from the Eidgenossische Steuerverwaltung, Bern. Reduction to 15%.

Residents of Italy can have a full refund by submitting Form 92 IT, certified by their local tax inspector, to the Inspector of Corporation Tax, Wibaut Straat 2-4, Amsterdam, with the relevant dividend note.

In all other cases Netherlands Dividend Tax at 25% will be deducted from the gross dividend.

Exemption from United Kingdom Income Tax may be claimed by lodging the usual affidavit certifying non-residence in the United Kingdom.

SUB-SHARE CERTIFICATES REGISTERED IN THE NAME OF NATIONAL PROVINCIAL BANK (NOMINEES) LIMITED

United Kingdom Banks and Members of the Stock Exchange should lodge the special claim form with the *National Westminster Bank PLC, Stock* Office Services, 3rd Floor, 20 Old Broad Street, London EC2N 1EJ.

Payment of the dividend must be marked on the reverse side of the certificate in accordance with "Marking Name" procedures.

Other claimants must also complete the special claim form and present this at the above address together with the relevant certificate(s) for marking by the National Westminster Bank PLC.

All claims must be submitted by personal presentation. Postal applications cannot be accepted.

Income Tax requirements will be as shown above for Bearer Share Warrants.

The Record Date is 26th March 1986. Payment will be made by National Provincial Bank (Nominees) Limited on or after 8th April 1986 and will be subject to Marking Name commission.

CONVERSION OF DUTCH CURRENCY

The Dutch currency will be converted into sterling on 26th March 1986. A further announcement will be made shortly giving full sterling details of the dividend in respect of Fls 10 ordinary shares and Fls 1 sub-shares.

SHAREHOLDERS IN THE REPUBLIC OF IRELAND

Approved Agents in the Republic of Ireland may present coupons to the Company's Paying Agents there, Allied Irish Banks PLC, Registrar's and New Issue Department, Bankcentre, PO Box 954, Ballsbridge, Dublin 4.

Claims on sub-share certificates registered in the name of the Munster and Leinster Bank Nominees Limited should be lodged with Allied Irish Banks PLC, Registrar's and New Issue Department, Bankcentre, PO Box 954, Ballsbridge, Dublin 4.

27th March 1986.

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION p.l.c.

3½% Debenture Stock, 1963-93
13% Debenture Stock, 1997-99

NOTICE IS HEREBY GIVEN that the Registers of the Corporation's above mentioned Debenture Stocks will be Closed for Transfer and Registration from 17th to 30th April, 1986, both days inclusive.

By Order of the Board,
H. J. McTURK,
Secretary.

48, Palmerston Place,
Edinburgh EH12 5BR.
27th March, 1986.

TECHNOLOGY

Inmos chip to star in new US supercomputer

COMPUTING

BY ALAN CANE

SEYMOUR CRAY, builder of the world's fastest computers, may at last have serious competition.

Next week, according to industry sources in the US, Floating Point Systems (FPS), a "supercomputer" manufacturer based in Beaverton, Oregon, will launch a machine family intended to start where the fastest Cray leaves off—at a speed of about one thousand million floating point operations a second* (one gigaflop).

The key to the new machine is the transputer, the revolutionary microprocessor chip designed and built by Inmos, Thorn EMI's semiconductor subsidiary.

And next year, a new supercomputer company, Sullivan Computer Corporation of La Jolla, California, aims to launch "the first general purpose supercomputer to offer at least ten to 100 times the performance of a Cray." The Sullivan computer exists, so far, only on paper. The company has attracted, nevertheless, a distinguished team of technologists including Dr Theodore Mankovich, formerly of Columbia University, Mr Bruse Lightner, formerly of Amdahl Corporation and Mr Lee Higbie, a designer of one of the fastest Cray machines, the XMP.

It has also the support of Mr Robert Fertig, one of the best known "IBM watchers" (a consultant specialising in the prediction of IBM's behaviour on the marketplace) in the US.

The principal problem faced by any supercomputer manufacturer is to make the machine go faster by carrying out computations in parallel.

There are only a handful of companies able to construct these parallel processing devices, computers able to carry out over 100m floating point operations a second. The market is small and specialised—oil exploration, weather forecasting and astronomy are typical applications—but growing at more than 25 per cent a year.

IBM does not yet offer a supercomputer in its commercial range, but according to Mr Fertig it is developing one in concert with leading university research teams.

Until recently, there were only two companies offering commercial machines, Control Data Corporation whose biggest machine was the Cyber 205, and Cray Research with the Cray 1, the XMP and the Cray 2.

This last machine was launched about a year ago; priced at almost $18m it featured five processors, massive internal memory (2bn bytes); its internal clock, which regulates the speed at which the machine runs, ticks every 4.1 billionths of a second.

Its semiconductor chips run so hot that it has to be immersed in liquid freon.

By comparison, it is understood that the Floating Point System computer is about the size of an office filing cabinet and is air-cooled.

The Cray 2 uses chips fabricated in a technology called emitter-coupled logic—very fast but very power hungry.

The Floating Point System computer, on the other hand, uses chips fabricated in CMOS, a slower technology but very sparing in its use of electricity, so they run substantially cooler.

And it is using the Inmos transputer in the way it was designed to be used, making the most of its ability to communicate easily and at high speeds with other parts of the system. The transputer is used as a controller for the system, to communicate with memory and the "back-end" processing unit, and for the calculation of memory addresses.

The FPS machine seems to be based on the "Cosmic Cube," a way of connecting processors together devised at the California Institute of Technology (Caltech).

Mr Michael Baylis, FPS manager for Northern Europe, told a seminar late last year: "Caltech started thinking about the subject in 1981 and after a lot of design studies, built a demonstration four-processor system late in 1982.

"This showed that four independent processors could solve a Laplace equation with each running at about 99 per cent efficiency."

"There are many other ways a number of processors can be connected. The cosmic cube does however seem a flexible and mathematically satisfying method."

The machine now being built by the Sullivan Computer Corporation is claimed to be quite different in principle to other supercomputers. Called the Chopp computer, or Columbia homogeneous parallel processor, it developed out of research projects carried out at Columbia University in New York.

According to the company, all existing computer architectures have a common problem called memory conflicts; a number of separate processors are needed to carry out parallel calculations, but when they all try to have access to the same piece of information in memory, a bottleneck develops and some processors have to wait.

Sullivan Computer Corporation claims to have eliminated this bottleneck by "randomising" the memory in its computer.

"Rather than arranging information in computer memory in a systematic fashion, the Chopp design stores data randomly" the company says.

"Tests show that this random distribution prevents bottlenecks better than other approaches."

The company says the Chopp approach smooths out many of the bottlenecks which slow processing in conventional supercomputers.

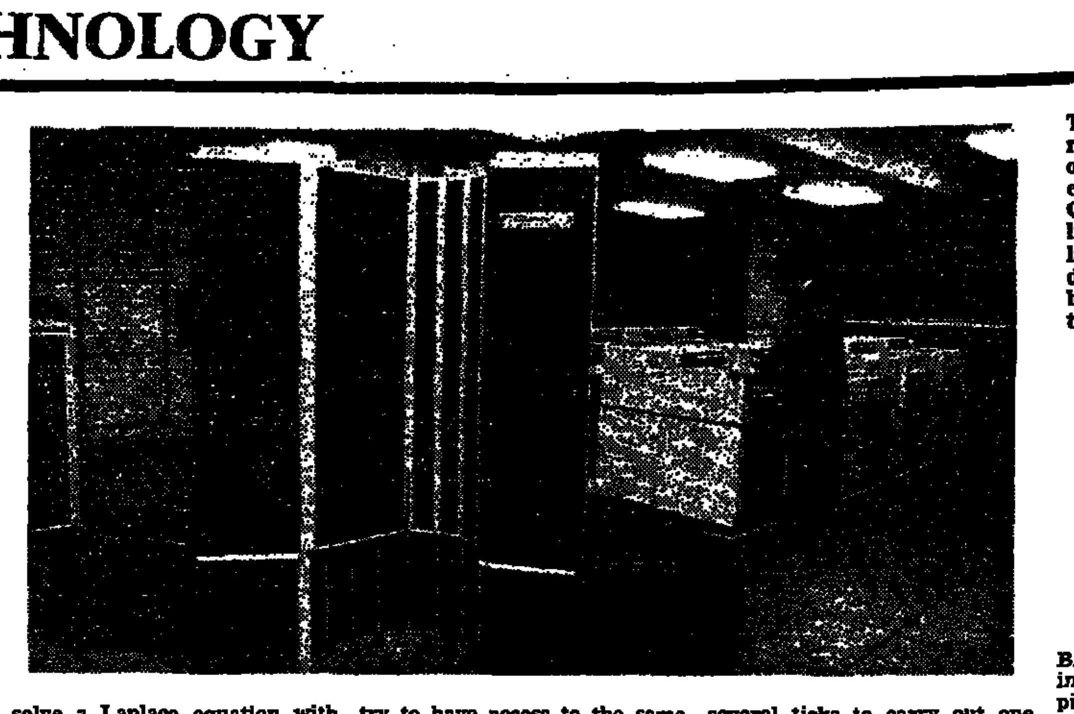
It will be designed to carry out up to nine instructions for every tick of the computer's central clock; conventional commercial computers often take several ticks to carry out one instruction.

What kind of competition can the newcomers expect? Michael Baylis of FPS thinks a Cray 3 computer using superfast gallium arsenide chips could reach 32 gigaflops with a 16 processor system.

CDC's GF-10 using supercooled CMOS circuitry could reach five giga flops with eight processors.

But the Japanese are developing a number of supercomputers as part of their Fifth generation computer project. So Fujitsu, Hitachi and NEC could also be considered heirs to Seymour Cray's yet-to-be relinquished crown.

*A measure of supercomputer performance—a floating point operation allows a greater number of digits behind the decimal point, and so greater accuracy.



The sleek, black Cray-1, until recently the standard for other supercomputer designers to strive for. The faster Cray-2 has to be immersed in liquid to keep it cool. The latest machines already designed or on the drawing board will be about one tenth the size, and offer 100 times the power

High-speed link to fast data service is launched by BT

BARCLAYCARD's experiment in electronic credit card shopping unveiled this week in the Brent Cross shopping complex, North London, uses a new data service from British Telecom designed to provide shoppers and retailers with fast and automatic credit card transactions.

The new BT service, also launched on Tuesday, is called Quick Connect-TPAD and it is a high-speed method of linking into British Telecom's fast data transmission service, Packet Switch Stream (PSS).

This is BT's packet switched service, a method of moving computer data reliably and at high speed around a network.

Data is snipped into small "packets" of electronic blips each with its own electronic "envelope"—signals to mark the start and finish of the packet—and address. The packets are transmitted individually over the network at high speed.

Intelligence built into the network enables it to direct the packet by the best possible route for speed and economy. At the receivi.g end, the packets are reassembled into the original message.

The New Quick Connect service provides a direct link from a retailer's premises to a local telephone exchange where it is connected to a high-speed digital switch. This ensures that the transaction data fed into a retailer's countertop terminal will be passed into PSS and so to the card issuer's computer centre.

The total time, according to British Telecom, between entering the transaction data at the retailer's terminal and completing the transaction is about 15 seconds, significantly faster than dialling up the same connection over the ordinary telephone network.

The Quick Connect service is being piloted at three London sites, Brent Cross, Soho and Mayfair.

Sterling comes up with Answer for an IBM micro-mainframe marriage

Ian Durrell, president of Sterling Software International

STERLING SOFTWARE of Dallas, Texas, this week announced that IBM is to market —in the US alone, for the time being—Answer a computer program written by Sterling which allows users to gain access to information stored in a mainframe computer database from a personal computer.

There are some constraints. First, the main frame has to be an IBM machine—or an IBM-equivalent from a plug compatible manufacturer—of System /370 architecture, a 3081, for example.

Second, it has to run under the major IBM operating systems DOS/VSE or MVS.

Third, the information has to be stored in the common IBM database methods Information Management System (IMS), Data Language One (DL/1) or Virtual Sequential Access Method (VSAM).

Given this condition, according to Mr Ian Durrell, president of Sterling Software International, personal computer users without any technical knowledge of database structure or programming techniques can have access to any information, to which they are entitled, stored anywhere in the database.

The significance of the Sterling-IBM announcement is that it gives IBM's touch of credibility to a much misunderstood data processing topic — the microcomputer - to - mainframe link.

This implies a technique where microcomputers and mainframes are connected together so that data files can be shared and where individual managers with their own personal computers can have access to company data without the intervention of the data processing department.

It sounds simple but it isn't. In the first place, personal computers are organised in completely different ways from mainframes. Conventionally, computer users in a company had access to the mainframe through "dumb" terminals — terminals without their own intelligence, unlike personal computers which have their own microprocessors.

Information sent to dumb terminals using a set of IBM rules called 3270 protocol contain significant additional information over and above the requested data used by the terminal for mundane housekeeping functions such as arranging the screen. Personal computers find such additional information hard to cope with.

The problem can be overcome, however, using an additional printed circuit board in the personal computer (the IRMA board is a typical example) and some specialised software. With such a set up, files can be moved to and from the mainframe, but it takes an accomplished programmer to write the instructions.

This, in any case, leads to the second problem. Data processing managers hate micro-to-mainframe links. Their entire professional bent is towards the protection of the data in their care. They view with horror the thought of mere managers being allowed to extract information from the files, fiddle with it and put it back again. How can they protect the data from the inevitable corruption in such circumstances? they argue.

In its second wave of personal computer releases, IBM launched a machine called the 3270 PC, a unit which could look either like a 3270 dumb terminal or a personal computer, but not both at the same time.

Many companies including Cullinet and MSA, the world's leading mainframe computer software companies, have developed micro-to-mainframe link hardware and software, but they have tended chiefly to serve their own customers. Cullinet's Goldengate product, for example, links the micro to Cullinet's own mainframe software and extracts data for individual users to manipulate.

IBM seems to have no product of its own to fill the gap, which is why it intends to market Answer as a licensed program under the IBM logo.

Its chief virtues, according to Mr Durrell, are its ease of use, the fact that the customer can have access to any part of the database whether he or she has used it before and a special level of security built into the system.

The data processing manager can lock up files or part of files and can lock users out so retaining control over the system. Furthermore, a separate program is needed to replace data in the mainframe memory after it has been manipulated in the personal computer. IBM is not marketing that product—yet.

Typically, Answer costs in the region of $45,000. Sterling may be an unfamiliar name in mainframe software but the company has an unusual history. It used to be Informatics General, seventh in the US software league until it was the subject of a reverse takeover by Sterling, last June. It was the software industry's first successful major hostile takeover.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
28	29	30	31	1	2	3

Opera and Ballet

LONDON

Royal Opera, Covent Garden: An interestingly conceived Der Fliegende Holländer, variably sung and pungently conducted by Gerd Albrecht, has predictably divided opinions. The revival of Arabella is strongly cast, and Bernard Haitink's conducting adds further distinction. (240 1066).

English National Opera, Coliseum: The visual inadequacies of the new Parsifal are redeemed and unified for many by Reginald Goodall's consummate view of the score, while the Merry Widow reappears in the person of Valerie Masterson, with a restudied staging by Ian Judge. (836 3161).

PARIS

Maurice Bejart's 20th century ballet ends with Le Concours danced to Hugues Lebars' music. Palais des Congres (42662075)

La Traviata alternates with Soirée Maurice Bejart at the Paris Opera Ravel's L'Heure Espagnole, a one-act musical comedy full of Spanish rhythm, is completed by Puccini's Gianni Schicchi, a one-act opera full of verve and humour. Opéra Comique (42960611)

Sankai Juku, choreographed by Ushio Amagatsu, creates a shock with often disturbing and cruel images of the Buto dance. Théâtre de la Ville (42742277).

WEST GERMANY

Berlin, Deutsche Oper: Macbeth has fine interpretations by Piero Cappuccini in the title role and Olivia Stapp as Lady Macbeth. Parsifal brings together Ruth Hesse, Gerd Brenneis, Gerd Feldhoff and Martti Talvela. Otello stars Pilar Lorengar and Spas Wenkoff. Die Lustigen Weiber von Windsor rounds off the week. (34 381).

Hamburg, Staatsoper: La Clemenza di Tito features Barbara Bonney, Doris Soffel, Yoko Kawahara and Anthony Rolfe Johnson. Manon Lescaut is steered to triumph by Natalia Troitskaja and Franco Bonisolli, conducted by Guiseppe Patanè. This week's highlight is Don Carlo with Julia Varady, Bruna Baglioni, Samuel Ramey and Giacomo Aragall. Also Faust. (351151).

Frankfurt, Opera: Parsifal has Walter Raffeiner brilliant in the title role and Michael Gielen conducting. Der Rosenkavalier has Helena Doese, Gail Gilmore, Barbara Bonney and Roland Bracht. Further performances are Dido und Aeneas and Hoffmanns Erzählungen. (25621).

München, Bayerische Staatsoper: René Kollo's masterly Parsifal leads a strong cast. Also in the cast Ingrid Bjoner, Kurt Moll and Wolfgang Brendel, conducted by Wolfgang Sawallisch. (21851).

ITALY

Turin: Teatro Regio: London Festival Ballet in Prokofiev's Romeo and Juliet, with choreography by Frederick Ashton. In the cast: Peter Schaufuss, Elisabetta Terabust, Raymond Smith and Alexander Grant. (548.000).

Trieste: Teatro Comunale Giuseppe Verdi: Un Ballo in Maschera with Adriana Morelli, Stella Silva and Carlo Cossutta (631948)

NETHERLANDS

The Netherlands Opera with the Italian section of the Civil Wars by Philip Glass and Robert Wilson, directed by Robert Wilson. The Netherlands Philharmonic under Lucas Vis, and the Netherlands Chamber Choir conducted by Siebe Riedstra. Premiere Mon in Scheveningen, Circus Theatre (55 88 00), Wed in Utrecht, Schouwburg (31 02 41).

Amsterdam, Carre Theatre. The Szeged National Theatre from Hungary perform Bizet's Carmen (Thur). (22 52 25).

Arnhem, Schouwburg. Opera Forum with Rossini's L'Italiana in Algeri (Wed, Thur). (42 27 41)

Amsterdam, Stadsschouwburg. The National Ballet with Frederick Ashton's The Dream (Mendelssohn), the world premiere of a new ballet by Toer van Schayk, and Sonia Gaskell's Rhytme en klank (Mon to Thur, Mon and Wed matinees). (24 23 11).

SPAIN

Madrid, Mussorgsky's Boris Godunov features Ruggiero Raimondi and Stefana Toczyska, Vladimir Atlantov, Martha Szirmay. Production of Grand Opera of Houston. Teatro de la Zarzuela, Jovellanos 4. (Wed and Fri). (429 82 16).

NEW YORK

Metropolitan Opera (Opera House): The week features the first seasonal performance of Don Carlo with Mara Zampieri joining the repertory of Aida conducted by James Levine with Anna Tomowa-Sintow and Luciano Pavarotti; Sir Peter Hall's production of Carmen also conducted by James Levine with Maria Ewing in the title role, Catherine Malfitano as Micaela and Placido Domingo as Don José; and Der Rosenkavalier with Tatiana Troyanos. Lincoln Center (362 6000)

Joffrey Ballet/ NY State Theater): The spring season includes two full-evening performances, Romeo and Juliet and The Taming of the Shrew, four one-act premieres and 14 repertory favorites including Offenbach in the Underworld, Forgotten Land, and Rodeo. Ends April 20. (870 5570)

WASHINGTON

American Ballet Theatre (Opera House): National tour includes from the company repertory Don Quixote, Romeo and Juliet, Giselle and The Nutcracker. Ends April 20. Kennedy Center (254 3770)

Theatre

LONDON

Lend Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an energetic company in mistaken identity romp, while Verdi's Otello carries on regardless. (437 1592)

Rowan Atkinson (Shaftesbury): New revue starring rubber-limbed clown with a strong line in scatological satire and rude sketches, many of them reflecting British classroom tyrannies. (379 5399)

Blithe Spirit Vaudeville): Excellent revival of Noël Coward's smart comedy about a novelist harassed by his second wife and haunted by his first. Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cowardian reverence by Simon Cadell, Joanna Lumley and the alabaster beautiful Jane Asher. (836 9987)

When We Are Married (Whitehall): Matchless comic playing from an all star cast in Priestley's comic warhouse about silver wedding anniversaries undermined by an inconvenient revelation. Bill Fraser is a drunken Falstaffian photographer and the couples are led by Timothy West and Prunella Scales. The 1930 theatre has been beautifully renovated. (930 7765).

Café Puccini (Wyndham's): Puccini compilation show by Robin Ray that deteriorates rapidly from a good idea – writers singing hits back at the maestro customer – to a routine potted biography with trying new lyrics and uneven singing. (836 3028)

The Scarlet Pimpernel (Her Majesty's): Donald Sinden in resplendent plummy-voiced form as Baroness Orczy's one-man resistance movement to the French Revolution. Opera director Nicholas Hytner's efficient and sparkish production has smoke, tumbrils, rat stew and rolling heads. (930 4025).

As You Like It (Barbican): Much improved since last year's Stratford-upon-Avon season, Adrian Noble's loosely Edwardian production now emerges as a secret-garden adventure where Rosalind (Juliet Stevenson) has the sisterly devotion of Celia (Fiona Shaw) threatened by Orlando (Hilton McRae). A superb Jacques from Alan Rickman. The RSC Barbican repertoire also includes a fine Othello with Ben Kingsley and, in The Pit, Christopher Hampton's absolutely breathtaking, unmissable version of Les Liaisons Dangereuses (628 8795).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

Are You Lonesome Tonight? (Phoenix): More musical hagiography with Alan Bleasdale's Elvis Presley show using flashback and excellent live recreations of the rock and roll hits to explain how Martin Shaw's magnificently wrecked and flabby King in crushed velvet jumpsuit has reached this pretty pass. Exploitative, but not strictly for tourists. (836 2294).

Torch Song Trilogy (Albery): Antony Sher plays Harvey Fierstein's four-hour triptych of the life and loves of a drag queen fighting for emotional and domestic stability. Truthful playing has the effect of cruelly exposing Fierstein's tackily uneven writing. (836 3878).

NETHERLANDS

Amsterdam, Bellevue Theatre. English Speaking Theatre of Amsterdam with Orton's Entertaining Mr Sloane directed by Grant Coburn. (Fri, Sat). (24 72 48).

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

Brighton Beach Memoirs (46th St): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish household where young Eugene falls awkwardly in love with his cousin. (221 1211).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

La Cage aux Folles (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (757 2626).

I'm Not Rappaport (Booth): In moving to Broadway, Herb Gardner's touching, funny and invigorating play about two oldsters retains its stars, Judd Hirsch and Cleavon Little, who almost conquer the world when they think they are just bickering with each other. (239 6200).

Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (246 0220).

Philadelphia Story (Arena): Elinor Renfield, who last directed Peter Nichols's Passion Play here, takes on the Philip Barry American classic about a headstrong debutante whose society wedding draws the press to gawk. (488 3300).

Music

LONDON

Royal Philharmonic Orchestra conducted by Enrique Batiz with Vovka Ashkenazy, piano. Schubert, Mozart and Mendelssohn. Barbican Hall (Mon). (638 8891)

Royal Philharmonic Orchestra conducted by Sir Alexander Gibson with Michael Roll piano. Tschaikovsky, Dvorak and Rachmaninov. Royal Festival Hall (Tue). (928 3191)

City of London Sinfonia directed by Nigel Kennedy, violin, with Jack Brymer, clarinet. Bach, Mozart and Vivaldi. Barbican Hall (Tue)

London Sinfonietta conducted by Diego Masson and Witold Lutoslawski with Gyorgy Pauk, violin. Abrahamsen, Lutoslawski, Brian Ferneyhough and Schöneberg. Queen Elizabeth Hall (Wed). (928 3191)

London Philharmonic Orchestra conducted by Jesús López-Cobos with Ivo Pogorelich, piano. Strauss and Prokofiev, Royal Festival Hall (Wed)

London Symphony Orchestra conducted by Howard Shelley with Erich Grünberg, violin. Rossini, Grieg, Bruch and Schubert. Barbican Hall (Wed)

London Symphony Orchestra conducted by Myung Whun Chung with Stephen Bishop-Kovacevich, piano. Dvorak and Brahms. Barbican Hall (Thur)

Philharmonia Orchestra conducted by Riccardo Muti. Honegger and Mahler. Royal Festival Hall (Thur)

PARIS

Arturo Benedetti Michelangeli Recital (Mon, Wed). Théâtre des Champs Élysées (4723 4777)

Jazz-Bivouac: French and foreign jazzmen's encounter inspired by the oldest tradition as well as by the most daring contemporary experiments (Wed). Radio France (4524 1516)

String Sextett of the French National Orchestra: Schumann, Brahms (Thur). Théâtre des Champs Élysées (4723 4777)

ITALY

Rome: Oratio del Gonfalone: Vicolo della Scimia 1/B (Via Giulia): violinist Beatrice Antonioni, with the string section of the Santa Cecilia Academy orchestra. Vivaldi. (Thur). (655 952)

Rome: Aula Magna dell'Universita la Sapienza: Piazzalle Aldo Moro 1: Artis Quartet with flautist Mario Ancillotti. Mozart. (Tue) (361 0051)

NETHERLANDS

Amsterdam, Concertgebouw. The Concertgebouw Orchestra conducted by Riccardo Chailly, with Jard van Nes, mezzo. Bon, Rihm, Berio (Thur). (71 83 45)

Utrecht, Vredenburg. The Rotterdam Philharmonic under Herbert Blomstedt, with Elisabeth Leonskaya, piano. Wagner, Beethoven, Nielsen (Thur). Recital Hall: Netherlands String Trio, with Herman Jeurissen, horn. Mozart (Wed). Alwin Bär, piano. Griffes (Thur). (31 45 44)

Maastricht, Staargebouw. Piano recital by Karin Lechner and Sergio Daniel Tiempo (Mon, matinee). (21 33 00)

SPAIN

Madrid, Spanish National Chorus conducted by Miguel Groba to music by Pildain, Marco, Debussy, Hindemith and Petrassi. Teatro Real, Plaza Isabel II. (Tue). (248 38 75)

NEW YORK

New York Philharmonic (Avery Fisher Hall): Raymond Leppard conducting, Stanley Drucker clarinet. Haydn, Copland, Mendelssohn (Tue); Marinlyn Schmiege mezzo-soprano, Rudolph Firkusny piano, Werner Klemperer narrator, New York Choral Artists directed by Joseph Flummerfelt. Martinu, Novak, Dvorak (Thur). Lincoln Center (874 2424)

Alice Tully Hall: Joint concert of the Pridonoff Piano Duo and the Percussion Group/Cincinnati. Bartok, Mozart, Saint-Saëns, Cage, Saya (Thur). Lincoln Center (362 1911)

Carnegie Hall: National Symphony. Mstislav Rostropovich conducting, Bella Davidovich piano. Rachmaninov, Shostakovich (Tue). (247 7459)

WASHINGTON

National Symphony (Concert Hall): Mstislav Rostropovich conducting. Tucker, Haydn, Bruckner (Thur). Kennedy Center (254 3776)

Exhibitions

LONDON

The Tate Gallery: 40 Years of Modern Art is a huge, rambling and always fascinating display marking the retirement of Ronald Alley, Keeper of the Modern Collection for the last 20 years. He has chosen and arranged the show, drawing only on the Tate's stocks. Revival of critical interest in European work before 1960 has meant that the influence of the New York School is no longer the power it once seemed. The work now take its place with its international peers. The Tate stands among the best of modern collections, and this show makes clear its unique character of generosity and openmindedness. Ends Apr 27.

PARIS

Rembrandt's engravings: Engravings from the Dutuit collection represent Rembrandt's intimate world, his family, his friends, even shopkeepers and beggars. Every subject interests him, from biblical scenes to the most varied expressions of his own face, from a portrait of a philosopher to an image of a couple making love. He experiments endlessly with the technique of etching, with different types of paper until he achieves the same strength of artistic expression in engravings as he does in paintings. Petit Palais, Closed Mon, Ends April 20 (4265 1273).

Vienna 1880–1938: Centre Pompidou stages one of its vast exhibitions where different disciplines combine to bring to life a moment of history. Turn of the century Vienna, melting pot of nationalities and races, is the scene of a paradox. The mournful atmosphere of a fin de regne is lit by an explosion of ideas and artistic creativity with architects like Wagner, musicians like Mahler and Schoenberg, thinkers like Freud and painters like Klimt, Schiele, Kokschka and the Secession Movement. Some 2000 exhibits bear witness to Vienna's contribution to modernity. Beaubourg-Centre Georges Pompidou. Closed Tue. Ends May 5. (4277 1233).

WEST GERMANY

Hanover, Sprengel Museum Kurt Schwitters Platz: Kurt Schwitters (1887-1948). This comprehensive show, collected by the Museum of Modern Art, New York, includes as well works from his Hanover period (1923). There are 300 paintings, drawings assemblages, collages and sculptures. Ends Apr 20.

Stuttgart, Staatsgalerie, Konrad-Adenauer-Str. 30-32: German Art of the 20th century. This is the same exhibition as was shown at the Royal Academy in London last year. It is made up of 300 works from 1905-85 by 50 artists. Ends Apr 20.

Hamburg, Museum für Kunst und Gewerbe. Steintorplatz 1: Also to honour Kokoschka, this museum is showing his complete works for the theatre. The 250 items cover costumes and set designs. Ends Apr 27.

BRUSSELS

Toulouse Lautrec – paintings, drawings and lithographs. Crédit Communal. Ends Apr 13.

ITALY

Rome: Galleria Nazionale d'Arte Moderna: Giulio Turcato: Marvellous exhibition by one of the liveliest of contemporary Italian artists, now in his eighties. Joyful, irrepressible and irreverent, cocking a snoop at conventional values whether it be those of the Communist Party (which he joined in 1943) or piety. He declined to accept the party's strictures on how artists should paint, and one of his most famous works, The Demonstration (il comizio), on show here, was severely criticised by the party leader, Togliatti, as being too abstract. Ends April 30.

Florence, Museo Nazionale del Bargello: Homage to Donatello: to celebrate the 6th centenary of his birth the 19 Donatellos the museum owns, of which only six are of absolutely certain attribution, have been grouped, with much documentation, to give a new view of the artist. The exhibition includes his extraordinary, languid bronze David. Ends May 30.

NETHERLANDS

Haarlem, Teylers Museum: Survey of French 18th-century graphic art illustrating the new processes developed to capture painterly effects in etchings and engravings and meet the demand reproduction prints. Ends Apr 6.

Amsterdam, Film Museum (Vondel Park 3), Max Ophüls retrospective (Mon to Wed). (83 16 46).

SPAIN

Madrid: Modern masters from the Thyssen-Bornemisza collection gathers 114 works from French Impressionism to North American abstracts: Cézanne, Gauguin, Manet, Monet, Toulouse-Lautrec, Degas, Renoir, Pissarro, Sisley, Van Gogh, Picasso, Juan Gris, Braque, Leger, Bonnard, Chagall, Kokoschka, Kandinsky, Rothko, De Kooning, Bacon, etc. Sala Picasso, Biblioteca Nacional, Paseo de Recoletos 20. Ends Apr 6.

VIENNA

Oskar Kokoschka – city portraits: To celebrate the centenary of Oskar Kokoschka's birth, the Vienna School of Applied Arts, of which he was a pupil, has mounted an exhibition of some 40 city paintings. Displayed in a cool white room, these views of mainly European cities radiate freshness and vitality and reveal Kokoschka's fondness for watery urban scenes. There are views of London, Hamburg, Dresden, Prague and Amsterdam, cities where he spent much of his life. Photographs accompanying the paintings show how much more exciting is his canvas than the camera lens and reveal how dramatically the urban views have changed. Ends Apr 6.

NEW YORK

Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Europe, shows a variety of the holdings, like a French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Franceschinis. Ends May 1.

Asia Society: More than 75 sculptures illustrate the five-century long era of the Kushan dynasty in India, when Greek and Buddhist influences were first evident in the country's art. Ends April 6.

WASHINGTON

Hirshhorn: The eight contemporary American artists in the Directions series include a light installation made for the show by James Turrell and major pieces by Frank Stella and Robert Morris: Ends Mar 30.

CHICAGO

Art Institute: The 75th American Exhibition chronicles the current scene in American art represented by 20 artists including Jennifer Bartlett, Roger Brown, Frank Stella and Ed Paschke. Ends April 27.

TOKYO

Noh Costumes and Kyogen Masks: 20 beautiful costumes from the Edo period (17th-19th century) and Kyogen masks from original 14th century era of consolidation of Noh into its present form. Okura Museum in front of Hotel Okura. Ends Apr 20. Closed Mon.

THE ARTS

London Galleries/William Packer

Talent demonstrated and indulged

Disquieting intrigue in Hockney's new work

New work by David Hockney is always worth remarking, and what he calls his "moving focus prints," which have engaged him over the past two years and now fill the Contemporary Print Gallery in the basement of the Tate (until May 11), are well up to par. But if they are as attractive and intriguing as ever, they are also rather disturbing for what they tell us of the preoccupations and development of Britain's most popular and successful modern artist.

Summoning to his aid the ancient principles of Chinese painting, which have always allowed for a natural shift of the artist's focus and attention through his work, high and low, near and far, he has effectively grasped the simultaneity of vision that was the informing principle of the cubist experiment. So he is reconciled to Cubism at last; and with his intelligence and facility and conspicuous energy, he has claimed it for himself.

Well: any one of us may take a turn down the road to Damascus at some point in life, and the effect may be shattering. That is not to say that the experience is necessarily of any general significance. To be fair to Hockney, he came to it by an odd route, coming to realise the essential nature of binocular vision through the monocular and mechanical mediation of the camera. But, even so, to re-work today what was for Picasso and Braque some 80 years ago a true and liberating creative revolution is merely to restate the obvious.

As straight-forward pastiche, a wonderfully skilful and decorative *Homage à Picasso*, the work is at least more credible if not more interesting. Hockney has always been at his very best when working the image freely and directly from his subject; here we find throughout an amplitude and generosity of colour and texture, an old certainty and wit in the drawing, that are wholly admirable. The freer passages, indeed, make one wonder why these large works are not actual paintings, but prints—and off-set lithographs at that. Of all the techniques of print-making off-set lithography, the most mechanical and remote from the artist's touch.

We can only guess at their point even as we admire them for themselves, for they are fine prints and immaculately done. *The sense left with by this* strange exhibition is rather one of talent, extraordinary talent demonstrated and indulged, than of any sustained creative achievement. The time has come, perhaps, when conspicuous activity and decorative ebullience are no longer enough: they must be tempered by a more sober critical application.

"Two Pembroke Studio Chairs," 1985, by David Hockney

★

Roger de Grey, who shows his latest paintings at the New Art Centre (until April 5), is too distinguished an artist to have remained comparatively obscure for so long, yet he has contrived somehow to do so through his long commitment to teaching and his association with the Academy in times less favourable to it than they are now. Even now, when he is President of the Royal Academy, we must take care that the artist is not further obscured by the public office. But his commitment to his work has remained as constant, and is its ultimate justification.

He paints and draws from the landscape around his house in Kent and the sea and beachscape near his other house on the Atlantic coast of France, beyond la Rochelle. The images are of trees and orchards, sands and estuaries, established in a quiet, undemonstrative, post-impressionist manner—an erudite disquisition upon Cézanne that is entirely convincing, and modern and personal besides. It is refined, beautiful and authoritative work.

★

Rudolf Schlichter, whose drawings and water-colours occupy the Piccadilly Gallery in Cork Street (until April 12) is an artist whose reputation has deservedly been restored in recent years, in the wake of the renewed critical interest in the German art of the 1920s and the *Neue Sachlichkeit*, the New Objectivity, in particular.

The stars of this second wave of expressionism, with its strong undertow of violence, eroticism and satire, are still Grosz and Dix, and Beckmann above all, but they were never so isolated as the assumed Parisian hegemony of the time would have had us believe. Not quite major figures perhaps, but certainly significant and substantial, such artists as *Schad, Hubbuch and Schlichter* confirm the importance of the art of Weimar Germany to the subsequent development of modernism.

This show includes some important water colours and larger drawings. Perhaps more characteristic of Schlichter's particular gift are the smaller, more fleeting notes and fragments, images caught as it were on the wing by his sharp, swift line and sharper eye: a girl half turning, her face the most simply stated cursive profile beneath her dark cloche hat.

★

A number of mixed shows should not be missed. *British Surrealism Fifty Years On* at the Mayor Gallery (throughout April) is a full documentary celebration, with an excellent catalogue, of the anniversary of the International Surrealist Exhibition in London in 1936. It shows the work of the time of the major British contributors or artists such as Lee Miller and E. L. T. Mesens who were in the closest touch with London: Penrose, Tunnard, Burra, Collins, Hayter, Spender, Eileen Agar and the rest, and a mass of books and ephemera besides. I hope to give it fuller treatment another time.

And there are two shows of late 19th century Scandinavian painting—*Danish Paintings* at the Bury Street Gallery (until April 20) and *Northern Spirit* at Connaught Brown (until April 26) that in their small way march in advance of the larger show that is to come to the Hayward later this summer. There is a certain amount of overlapping; the Danes Holsøe and Hammershøi, with their quietist interiors, are prominent in both; and Peter Ilsted, whose work I found the most personally engaging. *Northern Spirit*, however, goes farther afield, to Norway and Sweden, and I was particularly taken by the landscapes of the Swedes Hedberg and Thaulow.

As for Studies of the Nude at Marlborough Fine Art (until May), I must say that I was involved in it in a small way; I will do no more than recommend it to you for the work of Uglow, Piper, Auerbach, Freud, Moore and Hockney especially.

The Normal Heart/Royal Court

Michael Coveney

In the last show I saw on this stage, Nigel Osborne's *Hell's Angels*, Aids was an apocalyptic come-uppance diagnosed by an Ayatollah Deity for a promiscuous society. In Larry Kramer's throat-grabbing melodrama, a part exchange with Joseph Papp's New York Public Theatre in a new production by David Hayman with a stunning central performance by Martin Sheen (making his London stage debut), Aids—"an acquired immune deficiency syndrome"—is a sensational epidemic ignored by a mayor because publicity might affect tourism and a president because it will decimate Middle American supportive opinion.

As is well known, Kramer has put much of himself into the Sheen role of Ned Weeks, a writer who is politicised by the outbreak in 1981 and outraged that the New York Times chooses not to devote as many column inches to the problem as he would like. Storming the offices, he meets a reporter, Felix, with whom he falls in love, has a relationship and subsequently nurses through disintegration via a deathbed marriage scene as unwatchable as any of those grim News At Ten items we have lately seen.

Kramer's play is strongest when presented as a straightforward Gay Pride occasion of the sort familiar to theatre audiences on both sides of the Atlantic for over a decade. He clouds his polemic once again by playing up Ned's Jewishness (Sheen is not palpably Jewish) —"If this were happening to Jews, there'd be a hospital already" — and wildly positing propagandist black-outs in the Press on a par with alleged non-reporting of the Polish progroms.

Everyone tells Ned he flies off angrily in all directions and that that is part of his charm. So it is, I suppose, with the play. *All the gay activists in* the play *do* know about the virus is that it spreads from sleeping around. And yet promiscuity is a fact and a creed of their lifestyle, with the licking of envelopes at GMHS (Gay Men's Health Crisis) speckled with rolling eyeball contacts and furtive dates. The terror and helplessness breaks through in Mickey's (Joris Stuyck) sustained outburst, after which he is carried away.

You know you have it with the first purple blotch on the foot. That is the extent of the useful information in this play, and it ends the first act. The involvement otherwise is purely emotional, the Aids lobby joined by a sympathetic nurse (Frances Tomelty) who just happens to be a polio victim — though how she can wear those shoes with callipers is a mystery — and who screams an abusive tirade at the bureacratic meddling and underfunding, reminding us of the heterosexual contagion in Africa. Ir Aids is not a particularly homosexual issue, why does the rest of the play present it as such?

Alastair Muir

Martin Sheen and Paul Jesson

For the moment, the answer must be, it is an issue of primary consequence to homosexuals. But it may not remain so. Geoff Rose's design of classical arches covered in newsprint — most prominent headline is "My Doomed Son's Gay Plague Agony" — acknowledges the sensationalism of the topic while Mr Hayman's passionately acted production offers us a series of heart-rending case histories: from Kerry Shale's first scene panic victim told he will die and graphically doing just that to the bottled up anxiety of the bespectacled banker (John Terry) who will not, as president of GMHS, appear on nationwide television for fear of his job and his family's embarrassment.

In the scenes with his lawyer brother (Richard Kane) Mr Sheen moves the play onto a political/personal plane worthy of Granville-Barker and Shaw—he wants *pro bono* work for a cause his brother can no more support than he can open his arms in a fraternal embrace. The writing is too fitful, however, to capitalise on these moments.

What does carry the evening is Mr Sheen's unfussed, elastic and naturally engaging performance, occasionally indulging in muted camp physical gesticulation but otherwise truthful and purposeful up to his bereavement. I might add that the real agony of living with somebody racked with imminent death is superficially confined to one food-throwing sequence but compensated for by Paul Jesson's matching performance as the increasingly sweat-covered, voice-cracked victim.

Humana Festival/Louisville, Kentucky

B. A. Young

Comedy and confusion as open-door policy ends

The Humana Festival in Louisville, Kentucky, showed only 10 plays in the three day weekend special this year, only two of them directed by Jon Jory, the Artistic Director.

This, the tenth Festival, marks the end of the long standing principle of considering every play submitted (though it must be recorded that, apart from one-act plays, few unsolicited works have been produced). From now on, the Festival will show only commissioned plays or plays tendered by recognised agents, thus saving the labour of reading several thousand texts *every year*.

One play that Jon Jory has directed is a hilarious two hander, whose 18-word title I shall shorten to *The Illuminati*. A flamboyant ecclesiastical figure is preparing to hold a service assisted by an acolyte, *modelled on the Notra Dame* pattern. The action includes much parody of Christian religious activity; committed Christians may find offence but there is really no offence in the writing, which is based on knowledge and understanding of church teaching and is comic but not derogatory. Levi Lee, the priest, and Larry Larson as his assistant are both outstanding actors. They are also the joint authors.

Nothing else in the Festival quite achieved this theatrical excellent. There was good playing by Kevin Kling in his own one act *21A* a revue-style piece in which he is, successively, the driver and seven passengers on a bus. An English audience would place Mr Kling as an American Rowan Atkinson.

This play shared a double bill with *How Gertrude stormed the Philosopher's Club* by Martin Epstein, which looked like Shaw up to the point where two philosopher's murdered a waiter in the club library, but declined into farce after the library had been mysteriously invaded by a woman softball player. Frazier *Marsh was the director.*

The traditional Louisville formula of family life in regional American homes is evidently on the wane. We had a sentimental piece about a young couple in Cleveland, *How to Say Goodbye* by Mary Gallagher. A promising marriage is ruined when the child developed a brain tumour. This might have been a moving, old-fashioned play if the author had not used so many short scenes and time-slips. Mary Robinson was the director, but the play had been "work-shopped" elsewhere, and needed workshopping still.

The same applies to a better family play, *Smitty's News* by Conrad Bishop and Elizabeth Fuller, which is about self-persuasion. Dessie wants to believe that her past life is forgotten and that she can live happily with her teenage daughter. But her daughter is raped after a well-written teenage party scene and at the subsequent trial Dessie's past comes out — a former child taken into custody after ill-treatment, a husband deserted. An interesting theme and some *telling writing, but the play* never knows when to stop. Part-author Bishop directed.

Astronauts by Claudia Reilly was another piece badly in need of dramaturgy. This is a crazy farce; full of useful farcical material but suffering a *fatal lack of economy. The* director was Tom Bullard.

I made nothing of *No Mercy* by Constance Condon. The *scientist Robert Oppenheimer* wanders about the stage, awaiting the triggering of his first atomic device in New Mexico. One of the soldiers on duty discovers a power of healing, and later (time-slips are this year's fashion) sings on a religious broadcast and helps search for a lost boy who, for dramatic coherence, is at the atomic site.

Another play I could make nothing of was *The Shaper* by John Steppling: a piece about robbery and drug handling written in the style of early Hemingway, but dirtier—and directed at a snail's pace by Bob Glaudini. A crash in the incidental *musique concrete* signalled the final line "something *has happened." I could not* hope to guess what.

The most finished play in the repertory was Jonathan Bolt's *Culebra*, a documentary piece about the building of the Panama Canal which includes a vivid portrait of the ageing, arrogant de Lesseps determined, against all advice, on a sea-level course. (This part was admirably played by Frederic Major). The narrative was effectively backed by slides of contemporary photos, and all the characters were three-dimensionally presented.

This was Jon Jory's other directing commitment. Undoubtedly his two pieces, in contrasting styles, showed up the modesty of the rest. Indeed, it was hard to resist the conclusion that the most interesting feature of the weekend was the Humana Foundation's fine new office building looming in friendly fashion over downtown Louisville.

Milva/Almeida

Andrew Clements

As far as the *Almeida* is concerned the GLC is going out in style. There may be no money for the treatre from next week, but until then, at the ratepayers' expense, Milva, Italian *chanteuse extraordinaire*, is in residence, making her debut in *London. "Milva sings Brecht"* is the title of the show, a compilation of songs that she has been delivering around Europe for a long time, in a staging by Giorgio Strehler.

It makes a riveting evening, on its own terms. With a tone *that would slice through steel* plate at 50 yards, and a stage presence that could stop an elephant in its tracks, she *presents songs from the* Brecht/Weill collaborations — the first half devoted exclusively to *The Threepenny Opera* — with scattering of later Eisler settings. *All of them have a brilliantly* sharp dramatic focus, perfectly timed and inflected. The stage act has been honed to a rare degree of acuteness.

How much it all has to do with the essence of Brecht and his collaborators is another matter. *No doubting Milva's sincerity*, nor the pungent delivery of the (Italian) texts: I doubt there were more than five *words in the entire evening* that were not ringingly clear. But the songs are about something more than cabaret entertainment; they are savage, and indicting, compassionate and moving. Milva's assault was certainly savage and emotionally involved, but I was not *moved by any of the songs in* the way that many a less-polished and intrinsically accomlished performance can do.

That doesn't mean at all that the evening is anything but to be highly recommended. I've never heard anyone quite like her, and am willing to bet that she could make the London telephone directory a transfiguring experience if she put her *mind to it. But don't go expecting* Brecht to be freshly illuminated; in this case it's the medium rather than the message that matters.

China and Japan/St. John's, Smith Square

Dominic Gill

James Wood's adventurous New London Chamber Choir, always searching for the interesting new to set beside the old in their repertory and their programmes, produced the British premieres of two *a cappella* works by composers respectively from China and Japan on Tuesday night to contrast with the evening's major offering, Victoria's last published work, the great Requiem of 1605.

The Paris-domiciled Tona Scherchen-Hsao is not really a "Chinese" composer. Although she spent 11 years in China during her teens, the most *powerful influence (strictly* European) on her development was certainly that of her father, the conductor Hermann Scherchen. *Tzi*, for a small chorus of mixed voices, is an early work dating from 1969, and shows a strong influence of Ligeti (*Nouvelles aventures* appeared explosively on the scene in 966) as well as Stockhausen (*Stimmung* had its premiere in Paris the previous year). But in nine minutes she also establishes a nice sense of colour and drama that is definitely her own: she has a quick ear for unusual contrasts, which brighten the predominantly gentle, wistful texture. It's a pretty piece, and the Choir sang it with evident interest and care.

Toru Takemitsu's *Wind Horse* is also an early work, composed in 1962-66 when his style was still ripe with the resonance of his first encounters and post-war French music. *Wind Horse* is longer, but less concise and less adventurous than the Scherchen — the best thing that can be said about it is that when it floats, it floats very beautifully. The opening two sections are diluted Messiaen, surely a conscious homage. The last three (written at the later date) are the oddest combination — devised without a trace of pretension — of plainchant, Skryabin and Home on the Range. The coda is pure Glee Club. I rather liked the effect.

Alastair Muir

Lesley Mackie as Judy, in the musical biography on the life of Judy Garland which opened at the Strand Theatre, London, last night. It has been twice reviewed on this page (by B. A. Young at Bristol and Martin Hoyle at Greenwich), on both occasions favourably.

Written by Terry Wale, it goes for hago-biography rather than hagiography, and traces the Yung Judy's early addiction to "little magic pills" which give her extra pep and help to keep down the ever-threatening weight problem. Lesley Mackie gives a fine performance as the perverse but stellar Judy; she is at her finest at the finale when "Over the rainbow" is performed by a battered trouper rather than a hopeful little girl. The direction is by John David; the design by John Elvery

Saleroom/Antony Thorncroft

Impressionists do well

Apart from the failure of six of the 53 catalogued lots to arrive on time in the auction room, Sotheby's did quite well with its sale of good Impressionist and modern paintings on Tuesday night. It totalled £4,126,100, with a reasonable 17.6 per cent unsold. There were numerous private buyers for the prettier pictures; they included some British, rare visitors to such auctions.

The top price, as expected, was the £484,000 paid for a Monet landscape of 1885, "L'Epte près de Giverny": in 1980 it had sold for $230,000.

Thomas Gibson, the London dealer, bought "Madame veuve Rose," by Van Dongan, for £264,000. One of Rodin's numerous bronzes of "Le penseur" (The thinker) sold for £209,000. A Sisley of apple trees in blossom realised £178,000, and the same sum secured Chagall's "Le bouquet jaune."

All these prices were on target, as was the £181,500 which secured "Le bereau à Epagny" by Camille Pissarro. Caillebotte's last portrait—of his friend Pierre Rabot—did slightly above forecast at £94,600, but "Femme au lit" by Foujita was at its lower estimate, making £82,500. The major disappointments were "Le pont neuf" by Marquet, unsold at £104,000; and works by two of the few British artists to feature in these auctions—Ben Nicholson and Henry Moore.

Yesterday Sotheby's moved on to the lesser works and added another £2,168,210 in the morning session, with a rather high 29 per cent unsold. As usual it was the less decorative later works that failed to find buyers.

A Foujita portrait of a young girl, "Fillette à la fleur," made the top price of £78,100 while a Montmatre street scene by Utrillo just beat its top estimate at £61,600. Three paintings sold for £57,200—"Les trois graces" by Dufy; another copy, in bronze, of Rodin's "Le baiser" ("The kiss"); and "La rue Royale, Paris" by Henri le Sidaner.

Fine wine prices, which fell in January and February, seem to be on the up again. Sotheby's had an encouraging auction yesterday, with prices sometimes 25 per cent higher than the marked down estimates. A dozen bottles of Chateau Petrus 1971 sold for £1,815 (top estimate £1,450), and a dozen of Chateau Latour 1970 just beat its top estimate at £748. A dozen Chateau Figeach 1976 also exceeded its top forecast at £220.

But perhaps the main feature of the auction was the high prices realised for cigars. There were some pre-Castro cigars on offer, which greatly appealed to Americans, and around 150 Rafael Gonzalez, Boite Nature —very rare, and possibly pre-War—sold for £660 as against a top estimate of £500.

Another lot of cigars which was probably of pre-War vintage, a dozen Ramon Allones, Cristales, 20 cigars in individual glass tubes, went for £275, as against a top estimate of £160.

Intermezzo/Leeds, Grand

Rodney Milnes

From their splendiferous *Aida* via a rollicking *Fanciulla del West* to Strauss's "*Bourgeois Comedy with Symphonic* Interludes"—if nothing else Opera North is hell-bent on demonstrating its versatility this spring. *Intermezzo's* combination of near-farce on the surface and untold depths of human feeling just beneath it makes fearsome demands on interpreters, and indeed on audiences; with each quasi-throwaway line rich in implication, quite apart from what Strauss's ever-eloquent orchestra is saying, you have to concentrate like fury to take even half of it in. This the ever-appreciative Leeds audience did last Tuesday, rewarding the cast with an enthusiastic and well-deserved ovation at curtain-fall. But then audiences always respond to this piece, whatever stuffier critics may say about it.

John Cox's production in the late Martin Battersby's witty decor, now twelve years old and originally made for Glyndebourne carries its years easily (and needs to—it turns up in Glasgow next season); while it is sad to see elements of coarseness creeping in (the portrayal of the Cook, and the unacceptable tatty *Schuhplattler* dance among them), the subtly shifting balance between comedy and sentiment is entirely worthy of the work.

So, to a heartening extent, is a cast of principals all new to their roles. To Christine, one of the most complex of Strauss's studies in female psychology, *Rita Cullis* brings a soprano voice with the essential core of metal at the centre of its appealing, glittery brightness; to be *honest, few of the many illustrious* names who have taken the role over the years have soared so freely, so securely and with such unbroken *legato* over the orchestra in the Tyrian-purple finale. This was really lovely singing.

She also used her well-placed middle register to penetrate the orchestral fabric in the conversational passages, pointing the text with resource and awareness. If she did not always project the pain and misery behind the bitchiness of the opening scene—and it was here that her diction occasionally let her down—she was in complete command of the second act, putting high comedy across with economy and aplomb. This is an interpretation that can only gain in resonance and depth; already it is surely the best thing that this under-valued and under-used young artist has done.

Peter Savidge brought a freely *ranging* top and wonderfully pungent diction to Robert, and seemed (understandably) almost as bewildered by his wife's moods as the audience. Harry Nicholl's feyly *gaunerisch* Baron, Elizabeth Woollett's put-upon Lady's Maid, Mark Curtis's innocently guilty Stroh and Roger Bryson's rock-solid Opera Singer gave strong support, and I was especially taken with Geoffrey Dolton's commanding Commercial Counsellor and Alison Jack's cringing Housemaid.

The excellent English Northern Philharmonia fell upon the score with undisguised glee under the unflappable guidance *of that practised* and proven Straussian Stephen Barlow. This is virtuoso writing for orchestra, and they conveyed their enjoyment of it to the audience, quite apart from exciting admiration for the spirit and alertness of their playing. Enjoyment, yes, but Mr Barlow ensured that the heart-beat at the centre of this Portrait of a Marriage was always audible.

Intermezzo is not an easy piece to bring off—apart from the vocal and orchestral difficulties it calls for an extremely alert stage management—but Opera North have done so with confidence. Is there anything this company cannot do?

Birtwistle premiére by the ENO

The *English National Opera* is giving the world premiere of Harrison Birtwistle's opera *The Mask of Orpheus* at the *Coliseum on May 21.*

The work with its libretto by Peter Zinovieff, will be conducted by Elgar Howarth, *produced by David Freeman*, and with designs by Jocelyn Herbert. It has a multi-layered score with electronic music devised by Barry Anderson.

Philip Langridge takes the leading role of Orpheus (the man) and the cast includes *Nigel Robson as Orpheus* (the myth), Jean Rigby, Ethna Robinson, Tom McDonnell, Rodney Macaan, Marie Angel and Richard Angas.

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An outmoded farm policy

THE NEW centre-right French Government made a disconcerting debut on the European Comunity stage at this week's *council of farm ministers* in Brussels. Mr Francois Guillaume, the French minister, showed plainly that he was out *of sympathy with a strategy* to contain the exploding costs of the Common Agricultural Policy and its bias towards overproduction by *bringing in a* more market-related pricing system.

Mr Guillaume's attitude is scarcely surprising, given that before the French election he was a chief representative of the French farming lobby. Nor need it mean that Paris will be entirely rigid, since the meeting was only the first of a series to determine this year's farm priceregime. But enough was said to raise the prospect of a Franco-German alliance against any reasonable reform of the farm policy.

Price freeze

The need for reform was agreed in principle as long ago as the Community summit at Fontainebleau in 1984, but ways to set about it were not. Last year the European Commission put forward a series of *proposals to narrow* the gap between supply and demand by modifying the system of guaranteed prices for staple products. *The chief ideas* were a price freeze and levies on excess output, in particular from the larger and more prosperous farmers, to counteract the incensive of high guaranteed prices.

A crisis point when the CAP requires more money than the Community budget can provide is much closer than was thought *at the time of Fontainebleau.* The decline of the US dollar has widened the gap between the guaranteed internal prices of staples and the price obtained on world markets when surpluses are sold. The difference has to be made up from CAP funds.

Pressure may become acute as early as the second half of this year, when Britain has assumed the presidency in the Ministerial Council. The question will then probably arise whether the recent increase of national contributions to the Community budget was big enough to absorb the growing costs of the CAP.

But the reasons for reforming the CAP lie far deeper than the merely budgetary ones. Since the policy was put together more than 20 years ago the world has changed profoundly. A "green revolution" brought about by increasing use of fertilisers and intensive farming methods has increased output in developed and many less developed countries. This in turn has encouraged the *growth of large farming units* managed along industrial lines instead of traditional forms of peasant husbandry.

Originally conceived as a safety net for smallholders, and a protection against shortages, the CAP has increasingly become the *basis of prosperity for* large farmers. Guaranteed prices have encouraged the nonsense of producing, not for sale to the consumer, but for sale into storage that can be cleared only by exporting food at dumping prices.

Many palliatives have been proposed. For instance farmers might pay a levy or fine on production above a stated level from which needy, small farmers could be exempted. Or, more radically, output above a *certain quota* could be excluded from the system of guarantee prices. The trouble is that administratively both methods, *especially the latter, would* introduce formidable bureaucratic complexities.

Economically, a fully market-driven system would be preferable. But the social costs would be high. Less favoured areas would run the risk of depopulation.

Unless the long term trend of supply and demand is unexpectedly reversed, the historic decline of agriculture as a provider of employment (and self-employment) will continue But the impact on the farming population can be cushioned.

Hardship can be reduced by *direct income subsidies to* those in need. There is a case for putting some or all of the burden of this on national budgets (as in the case of other welfare payments) in the interests of transparency and national responsibility. Less radically, early retirement for farmers is worth considering, provided their land is allowed *to lie fallow.*

Political pressures mean that the best that can be hoped for is a reasonable blend of these and similar measures. But no reform of the CAP is possible which will hurt nobody: the objective must be to limit the pain. Those who deny the need for change should remember that the market, like nature, can be ejected with a pitchfork, but will surely come back to reassert itself.

Opening up the airways

AIR TRANSPORT was once as glamorous, expensive and dangerous as manned spaceflight. The heavy hand of government in the industry's early development was therefore understandable. Now, however, air travel is no more than a routine service *enjoyed by millions of consumers* across the globe.

The economic case for special treatment has vanished: regulation ought to be confined to the maintenance of adequate safety standards. Ideally, free competition worldwide *should determine* which airlines provide which services to which passengers.

This, of course, is pie-in-the-sky theorising. The web of restrictive bilateral air service agreements that covers the globe is not going to be quickly dismantled. Almost every country remains committed to a national "flag" airline and is apparently prepared to pay any cost in terms of subsidies to keep it flying. The industry's trade association, the International Air Transport Association, has some 140 members: if competition were free on a global basis only a small proportion of these would remain viable. Free competition, therefore, will not happen.

The best that can be hoped for is that portions of the world air transport market will be gradually liberalised by those countries *that believe in free* trade and competitive markets. The low prices, quality and variety of service in the deregulated *zones may then act as a* spur for further liberalisation.

With luck governments that impose unnecessary restrictions will come under increasing pressure both in international forums and from consumer organisations at home. Yesterday, the National Consumer Council in Britain published a weighty report calling for reform; the *hope must be that watchdogs* in other countries will follow

The process of liberalisation has begun. The US internal market — a large portion of the global industry — has been deregulated and the results are encouraging. The one drawback is that, in spite of its much stressed advocacy of free trade in services, the US Government *is not yet prepared to let* foreign airlines compete for a slice of its domestic market.

In Europe, too, the outlook is comparatively promising. The series of more liberal bilateral air service agreements negotiated by the UK has had an impact on European attitudes, and the European Commission is pressing much harder than before for a measure of deregulation.

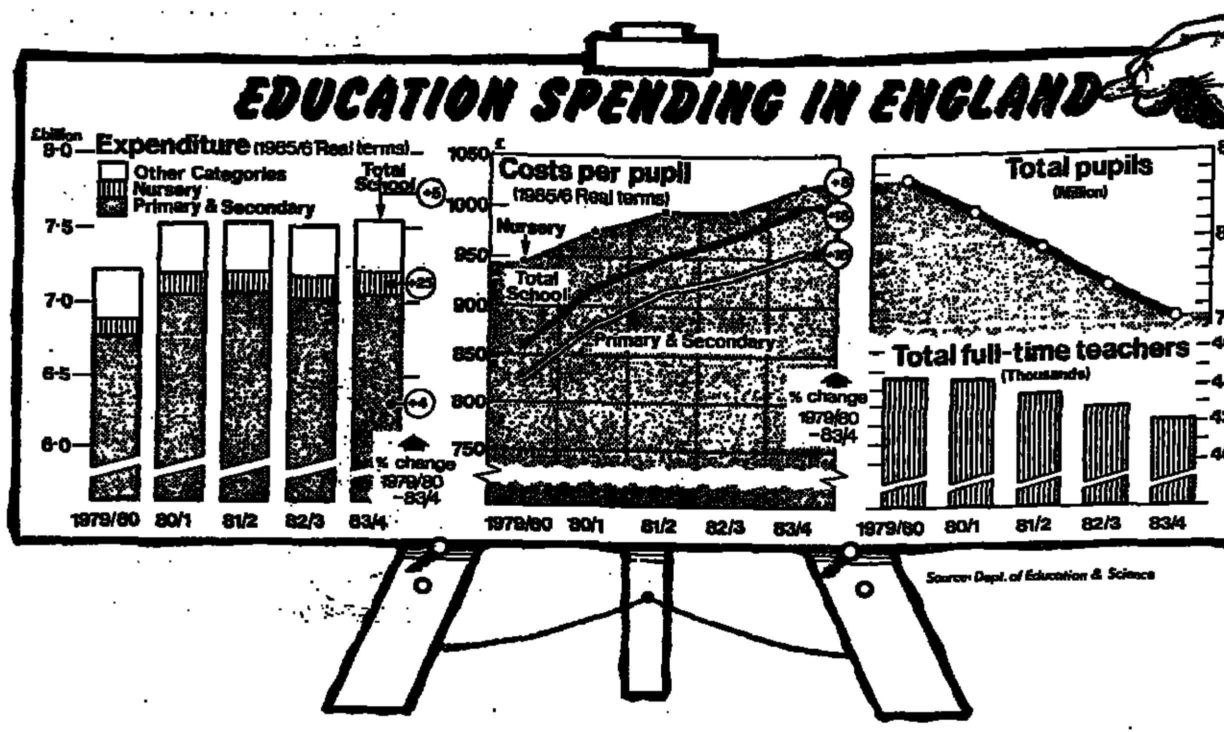
At present, eyes are fixed on the European Court of Justice, which is expected to rule shortly whether the French Government has the legal right to require airlines to consult over fares. The fundamental issue is whether the competition clauses in the Treaty of Rome apply to air transport: if they do, the French clearly have no right to require collusion. Most observers are cautiously optimistic that the court will decide that air travel falls within the treaty's *remit.* Whatever the lawyers decide, there can be no doubt that aviation *ought* to be covered by competition law.

Ambitious goal

EEC member states need to agree collectively how the treaty's competition laws should be applied in aviation; ideally a package covering fares, capacity *controls* and route licensing is required. But if collective agreement is impossible, action through the European Court of Justice to enforce the spirit of the treaty may be the only alternative.

The UK's recent bilateral agreements provide a model for reforms that could be agreed by all member states. Some *observers, doubtless influenced* by IATA lobbying, regard this as far too ambitious a goal. Most economists, however, would regard it as a minimum objective: even if the agreements were copied throughout Europe *they would not provide* anything approaching the scale of freedom enjoyed in America.

Liberalisation is obviously harder to achieve where the interests of sovereign states clash — but no less important. Without a little boldness, the EEC is unlikely to make much progress towards an internal market freed of artificial barriers to competition.



Elusive truths among the classroom figures

By Robin Pauley

A STRIKING feature of the Thatcher years has been the paradox that more *and more money seems* to provide less and less in public services such as the National Health Service and education.

There are more than 1m fewer children in school today than when Mrs Thatcher took *office* in 1979 and the Government is spending several hundred millions of pounds more on the education service —although paradoxically not on the one area where student numbers have risen, higher education. Yet public and political anxiety about the state of education has rarely been more acute with parents, *teachers, employers,* industrialists and academics all complaining

To some extent this is the product of arguments about teaching standards, pupil achievement, muddled policy direction from the Department of Education and Science and the accumulated aggravation, particularly for parents, of teachers' disputes.

But to concentrate just on education expenditure, what has happened since 1979 when Mrs Thatcher, who was Education Secretary from 1970 to 1974, became Prime Minister? Trying to unravel the truth, *as opposed to what politicians* claim or parents think has happened, is like trying to marshal an army of fleas. There are very *few directly comparable* statistics showing changes in real terms and a remarkable paucity of analyti*cal* work on the subject.

In addition, school education is the responsibility of 104 local authorities; some, like the Inner London Education Authority, have maintained their expenditure in real terms in spite of rapidly falling school rolls. Other councils have cut their spending so sharply that Her Majesty's Inspectors have warned that education provision is falling below the minimum acceptable standard. So the simple answer to whether *spending on schools* has been declining is yes and no.

A table in the current public expenditure white paper shows real total spending on education and science in 1985-86 as 0.6 per cent below the level of 1978-79 and 0.75 per cent above the level of 1979-80. As the school population, excluding *special schools,* has fallen by 1.2m pupils since 1978-79 while the number of teachers has fallen by 40,000, the implication is that there should have been a very substantial increase in the real level of resources going into education, even after allowing for rising numbers of students in further education. Detailed examination of the figures behind the figures, in so far as it is possible, does not always bear this out.

A crucial factor is what has happened to education unit costs, or real terms expenditure per pupil, for which pay accounts for about three-quarters. Real increases in unit costs mean simply that more money is being spent on teachers, equipment, pay, premises, supplies etc for each pupil than before. But that *does not* mean the pupil is necessarily better off in terms of the quality of teaching or school environment.

The Department of Education and Science has constructed some figures showing the real change in school spending in England over the Conservatives' first term, 1979-80 to 1983-84, although they do not separate capital from current *spending.* This masks the fact that capital spending on buildings and equipment has been severely cut by about 50 per cent in real terms since 1979.

To begin at the beginning. The Government's target is to provide a nursery class place for every child under five whose parents want a place. During Mrs Thatcher's first term, the number of under-fives in nur*sery education in* England rose by around 16 per cent while total expenditure and expenditure per child went up sharply. However, *as the number of nur*sery teachers remained fairly constant the principal factor in rising unit costs was the large increases in pay in 1979 and 1980. After that the real rises in spending slowed greatly although more was spent on nursery assistants and on equipment and materials.

However, rising nursery pupil numbers were mainly accommodated within existing or expanded facilities. Capital spending on this sector fell drastically, by more than 50 per cent in real terms between 1979-1980 and 1983-84. Since then, it *has been cut by another third* in real terms.

This would explain why despite the rise in total spending, fewer than half of all children aged three or four are currently in nursery classes and why the large unsatisfied demand persists in areas short of facilities, notably the inner cities.

The next stage of public sec*tor education is the primary* school. Here there was a real drop of 2 per cent in total expenditure between 1979-80 and 1983-84 while pupil numbers dropped by 16 per cent (or nearly 660,000 children). But one conundrum of the falling schoolchild population is that in the short term it leads to higher costs. The crunch point at which a school is closed and pupils and teachers redistributed often comes long after rational viability has been lost. But in the meantime the full range of *teaching and curriculum facilities* has to be maintained.

Public concern reaches its peak overs secondary education, partly because of the importance of the public examinations and partly because it is the sec*tor in which arguments about,* for examples, politicisation of education tend to focus. Concentrating only on expenditure, *there was a real increase of 7* per cent during the first Conservative term on the 11-to-16-year-old sector. As pupil numbers fell by 235,000 or 7 per cent, these figures look impressive. Again, falling school rolls added to short-term costs but nevertheless spending per pupil rose sharply, the real increase being 14 per cent, indicating the *maintenance of enough* teachers to cover the full curriculum as number fall.

The last school group is secondary education for those children over 16 who decide to stay on; about a third of all *pupils remain for an extra year* and about a fifth for two years. Costs are highest for this sector which needs expensive equipment and generally more intensive tuition involving lower pupil teacher ratios.

Total expenditure for this group rose by 19 per cent in real terms between 1979-80 and 1983-84. But rather than *falling, school rolls in this* sector were still rising for most of the period, starting to tail off only in 1983-84: overall there was a 15 per cent rise in the number of pupils. Costs per pupil might have been expected to fall as a result but in fact unit costs went up by 3 per cent in real terms over the period.

Taking all secondary education, real increases between 1979-80 and 1984-85 of 7 to 9 per cent were achieved in Leeds, Wigan and Bradford while cuts of more than 15 per cent in real *terms occurred in Harrow,* Bromley and Richmond. Spending per pupil rose by between 20 and 30 per cent in Haringey, Ilea, Newham and Bury but actually fell in Surrey, Doncaster, Richmond, Cambridgeshire and Cheshire.

Further and higher education pose the most complex calculations of all, and data is even scarcer than for schools.

Expenditure on all further and higher education has been cut by about 10 per cent in real terms since 1979 in spite of an increase of 65,000 in the number of students. More than half of all higher education now occurs outside universities and around 40 per cent of all degrees are awarded from insti*tutions* such as polytechnics. However, as Sir Keith Joseph, Education Secretary, has repeatedly stressed, more efficient *management of resources would* release large sums of money in tertiary education. Last year the Audit Commisison reinforced this view, saying that bad management among some of the 550 polytechnics could be wasting up to £150m out of their annual budgets of around £2bn.

Government funding of universities was unsettlingly inconsistent in the early years. Current spending jumped 5 per cent in real terms between *1979-80 and 1980-81, was cut 21* per cent the next year, and rose 11 per cent the next. It has been falling ever since, down by more than 10 per cent in the last four years and destined to fall by another 10 per cent in real terms over the rest of this decade. Capital spending has been cut in real terms every year since 1979 until the current year when a real increase of 8 per cent is planned.

The public spending white paper says blandly: "The Government expects the univer*sities to continue* to achieve economies in order to maintain standards within the cash available."

But university leaders, renowned for their ferocious skill in arguing for more funds, are not letting ti go at that. Britain already admits a smaller proportion of school leavers to university than most other European countries. The universities want the present number of post-and undergraduates held at around *250,000 rather than being cut* year by year over the next decade as the number of 18-year-olds declines. They also want the current, reduced level of £1.4bn cash for operational expenditure held in real terms rather than being cut by 10 per cent over the next five years, as planned.

But there is an additional pressure which highlights the expenditure cuts in higher education. The maintenance grant for students outside London has *declined to about 80* per cent of its 1962-63 value, yet virtually all of that erosion has occurred in the last six years. Similarly, the average parental contribution to these reduced grants has risen from around 13 per cent when Mrs Thatcher took office to over 20 per cent now. In addition, the Government is planning to stop stu*dents claiming housing and* supplementary benefits

One of the clearest trends out of what are often very confused statistics is the extent to which capital spending throughout all sections of the education service has been cut. In 1979-80 £523m was spent by local and central government on capital schemes. In the current year the figure is £445m, a cash reduction of 13 per cent and a real terms cut of 60 per cent. It is not surprising that last July Sir Keith said: "A significant number of pupils and students is being educated in buildings that are unsatisfactorily maintained. *This* will make more difficult the cost-effective achievement of higher standards."

Universities and other higher education buildings provided during the expansion of the 1960s are beginning to need renewal of roofs and heating plants. Similar pressures arise in regard to the school build*ings provided* in the 1960s and early 1970s.

Her Majesty's Inspectors said in another report last year: "*Much of the nation's school* building stock is now below an acceptable standard. In some schools the conditions in which teaching and learning take place adversely affect the quality of the pupil's work."

On universities the Universities Grants Committee reported as long ago as 1980 that the majority were built in the 1960s and were now reaching the stage where major replacements were or would soon be needed. In 1983 the UGC said that while *spending had risen it had not* been sufficient to keep pace with the need for long term maintenance. Since then, it has fallen in real terms.

Another key indicator for parents is whether there are enough materials, equipment and textbooks in schools. Nothing arouses indignation faster than to discover that there are not enough textbooks to enable everyone to take one for homework. The Educational Publishers Association estimates that book costs rose 61 per cent between 1979 and 1984. Cash increases on books and equipment between 1979-80 and 1984-*1985 indicate that many authori*ties were broadly keeping up with this rise but a few—Doncaster, Newcastle and South Tyneside—cut cash spending over the period on books and materials for both secondary and primary pupils.

The overall impression of this analysis is that while spending per pupil has risen, there have been some cuts in real terms in some local authority areas, dangerously sometimes in the view of the DES inspectors. But taking schools overall, expenditure changes would not seem to be the principal course of the present wave of discontent. The same cannot be said for universities.

Finally, perhaps one should consider the extent to which spending matches rising expectations of improvement and how it compares with previous decades to which people tend to refer back with fond, but often distorted, memories. Were the 1960s the booming, blooming *years of education with good* results from good grammar schools and a wave of new universities providing more scope for higher education?

Britain spent just 3.7 per cent of GDP on education in 1960, the same as Italy, just less than Japan (4 per cent) and more than West Germany (2.7 per cent). The proportion rose during the expansionary 1960s and 1970s reaching 5.2 per cent in 1970-71 and 6.3 per cent in 1975-76. Many of the pupils of that era are now parents. The proportion of GDP allocated to education fell back to 5½ per cent in 1980-81—still more than most major OECD states including Germany and Japan (although they had much larger GDPs) and by 1983-84 was back down to the 1971-72 level of 5.2 per cent. Today it is 4.8 per cent, and falling.

Men and Matters

Luft was Nixdorf's choice

Klaus Luft has moved into the top job at Nixdorf Computer as the West German group sets about demonstrating continuity following the sudden death of the founder, Heinz Nixdorf, last week.

Luft, aged 44, a marketing expert known for his cheerful and relaxed manner, has been *with the company for 19 years.*

Nixdorf had made up his mind that Luft should succeed him. As a result the supervisory board, headed by Nixdorf's lawyer friend Gerhard Schmidt, has now nominated *Luft without further ado.*

Luft is already finding himself facing a major task in reassuring the world about where the company goes from here.

Nixdorf's death at the age of 60 *sparked* rumours that his family (which owns 70 per cent of the company) might sell out, or that the company might link *with some other* concern.

The company itself has been quick to dismiss such thoughts. "All this is rubbish," according to a senior employee. "We are happy to be independent."

Luft began with Nixdorf Com*puter as head of its* Munich branch before moving to the HQ in rural Paderborn. Over the years he has played a big part *in building up Nixdorf's* worldwide marketing and servicing organisation.

Arno Bohn, aged 38, the marketing head and US expert, has just been named as deputy chief executive to Luft. Again the emphasis *behind this* appointment is continuity. Bohn is another old hand at Nixdorf with 17 years' service.

For the time being there seems no prospect of Nixdorf's three sons becoming involved in the company. But executives say that things will be carried on in Nixdorf's style and way of thinking. "He foresaw a lot," one employee says. "We are finding out just how much he has prepared in case this *should happen.*"

Borrie in silk

The silk mantle of a Queen's Counsel has been bestowed by the Queen on Sir Gordon Borrie, the director general of Fair Trading.

He was pleased to hear last night that this honorary appointment places him second *on the list of 48 new "silks"* published today.

To be at the top would have obliged him to take a leading part in the complicated ceremonies which will take place at Westminster and the Royal Courts of Justice next month.

An honorary appointment to Queen's Counsel is in the gift of the Lord Chancellor — and it is rarely given.

Lord Hailsham may have been prompted by the Hamlyn lectures delivered by Borrie last *year.* They helped draw attention to the high academic standard which Borrie has maintained in the rough-and-tumble *of public office* since taking the job 10 years ago.

Borrie has recently been reappointed for another five years, *so there is no need for the Bar* to fear the appearance of a new competitor in the courts.

Indeed he is more useful to the legal profession where he is. If his recent proposals for more vigorous competition enforcement are accepted there will be a flow of profitable briefs from large companies caught in the Office of Fair Trading net.

"They can get the warrants *right when they want to*"

Graham's course

In *Yes, Prime Minister* terms, a "courageous" decision is one which virtually *immediately* throws Ministers into a state of panic about what they've done.

John Garnett, the outgoing director of the Industrial Society, describes the decision to appoint as his successor Alistair Graham, general secretary *of the Civil and Public* Services Association, as "courageous and significant." Graham shows every sign of sticking to his chosen course.

Leading the Industrial Society —all sweetness and light and do-gooding, *but underneath it* a practical organisation with an annual income of around £8m —isn't easy. Persuading people to be positive never is.

Some 120 candidates were originally sifted for the £50,000 a year job (good union negotiating: £2,000 more than Garnett's present salary). Among the shortlist of eight was one other trade unionist.

Graham takes over on July 14 and he has the opportunity to push his acclaimed strategic thinking about Britain's unions into new fields.

It's in his grasp, to enhance the society's work as a kind of industrial think-tank, examing emerging trends — such as its immediate conference last year on Nissan's strike-free deal, at which the audience read like an idustrial Who's Who.

Unusually among many union leaders, Graham has tried to work closely among young people, constantly speaking to schools, for instance — "If I had my way," he said, "I would make it compulsory for members of the TUC General Council to go and have to explain trade unionism to school 5th and 6th form once a month; if they did that they would get a better idea of the role of trade unions."

Gooding's catch

Dr Terry Gooding, chairman *and chief executive of* Cambridge Instruments, was jubilant yesterday about his acquisition of a piece of the US healthcare company Warner-Lambert.

Gooding is buying the Reichert optical division of Warner-Lambert, with sales last year of £85m, for Cambridge Instruments which had sales of under £60m.

Together they make an international instrument group strong in electro-optics, with a workforce of about 3,500, and manufacturing in Britain, Austria, West Germany and the US.

In 1979 Gooding rescued Cambridge, then going down for the fourth time. But a year later, the former nuclear physicist turned entrepreneur appeard to abandon financial adventure by becoming chairman of GEC's newly-acquired Picker International medical electronics division.

Next week Gooding returns full-time to Cambridge as chairman and chief executive. He says he has been after Reichert for about three years, and seri*ously for the last four months.*

Observer

BASE LENDING RATES

ABN Bank	11½%	Grindlays Bank	‡11½%
Allied Dunbar & Co.	11½%	■ Guinness Mahon	11½%
Allied Irish Bank	11½%	■ Hambros Bank	11½%
American Express Bk.	11½%	Heritable & Gen. Trust	11½%
Amro Bank	11½%	■ Hill Samuel	§11½%
Henry Ansbacher	11½%	C. Hoare & Co.	11½%
Associates Cap. Corp.	11½%	Hongkong & Shanghai	11½%
Banco de Bilbao	11½%	Johnson Matthey Bkrs.	11½%
Bank Hapoalim	11½%	Knowsley & Co. Ltd.	12 %
Bank Leumi (UK)	11½%	Lloyds Bank	11½%
Bank Credit & Comm.	11½%	Edward Manson & Co.	12½%
Bank of Ireland	11½%	Meghraj & Sons Ltd.	11½%
Bank of Cyprus	11½%	Midland Bank	11½%
Bank of India	11½%	■ Morgan Grenfell	11½%
Bank of Scotland	11½%	Mount Credit Corp Ltd.	11½%
Banque Belge Ltd.	11½%	National Bk. of Kuwait	11½%
Barclays Bank	11½%	National Girobank	11½%
Beneficial Trust Ltd.	13½%	National Westminster	11½%
Brit. Bank of Mid. East	11½%	Northern Bank Ltd.	11½%
■ Brown Shipley	11½%	Norwich Gen. Trust	11½%
CL Bank Nederland	11½%	Peoples Trust	12½%
Canada Permanent	11½%	PK Finans. Intl. (UK)	13 %
Cayzer Ltd.	11½%	Provincial Trust Ltd.	12½%
Cedar Holdings	13 %	R. Raphael & Sons	11½%
■ Charterhouse Japhet	11½%	Roxburghe Guarantee	13 %
Citibank NA	11½%	Royal Bank of Scotland	11½%
Citibank Savings	¶11.95%	Royal Trust Co. Canada	11½%
City Merchants Bank	11½%	Standard Chartered	11½%
Clydesdale Bank	11½%	Trustee Savings Bank	11½%
C. E. Coates & Co. Ltd.	12½%	United Bank of Kuwait	11½%
Comm. Bk. N. East	11½%	United Mizrahi Bank	11½%
Consolidated Credits	12½%	Westpac Banking Corp.	11½%
Continental Trust Ltd.	11½%	Whiteaway Laidlaw	12 %
Co-operative Bank	*11½%	Yorkshire Bank	11½%
The Cyprus Popular Bk	11½%		
Duncan Lawrie	11½%		
E. T. Trust	13 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	13½%		
First Nat. Sec. Ltd.	13½%		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptrs.	12½%		

■ Members of the Accepting Houses Committee.

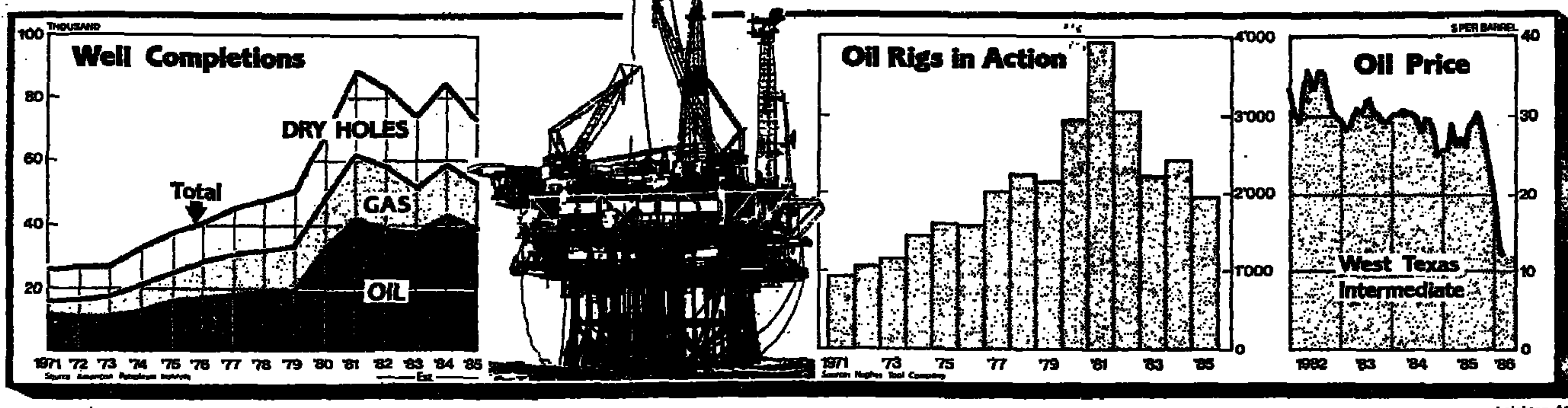
* 7-day deposits 7.69%. 1-month 8.03%. Top Tier—£2,500+ at 3 months notice 10.72%. At call when £10,000+ remains deposited.

‡ Call deposits £1,000 and over 8% gross.

¶ Mortgage base rate.

§ Demand dep. 7.69%. Mortgage 13%.

THE OIL PRICE COLLAPSE



Leighton Morris

At the banks, the reality sinks in . . .

THREE MONTHS ago, US bank regulators were using a "worst case" scenario of $20 a barrel when reviewing the quality of a troubled energy bank's portfolio.

Today, they refuse to say what their "worst case" is, for fear of further undermining confidence in their clients. The problems of America's energy lenders were serious even before the recent collapse in oil prices.

The situation is now becoming acute for several of the more exposed institutions in states such as Texas and Louisiana. With energy problems compounded by difficulties in the farm sector, there were a record 120 bank failures in 1985. Now, regulators' thoughts are turning to the need for possible rescues of some fairly sizable banks.

In spite of this and the fact that US banks have substantial exposures to Third World oil producers, most notably Mexico, the financial markets have shown little concern about this aspect of their business.

The shares of US money centre banks have outperformed the market since the beginning of the recent oil price collapse. Wall Street appears to believe that the US Government will do whatever is necessary to protect its banks from any unpleasant side effects of the crisis in Opec.

But the regulators, mindful of the run on Continental Illinois in 1984 and the flight of deposits out of the privately insured savings banks in Ohio and Maryland last year are nervously monitoring the energy banks in the south-west.

"There is a lot of catastrophe planning. The regulators are running fire drills down there," says Mr John Lyons, a former bank regulator who now works as a consultant. He believes that the problems of the 560 energy banks in the US are more serious than the problems of the hard-pressed agricultural banks.

"Nobody can yet compute the human and economic toll of $12 per barrel oil on both the banks and the thrifts in the south-west," says another former senior bank regulator.

Mr Jim McLure, the Republican chairman of the Senate Energy Committee, says that with spot oil prices below $15 per barrel, thousands of oil wells already have been shut—and the number of active drilling rigs is 73 per cent down from its 1981 peak. He predicts that US production will have dropped by around 2.4m barrels a day by 1990 from its current level of 8.5m b/d.

"Oil and gas producers, the producing states, and banks with large energy portfolios are now fighting for their lives," says Mr McLure. "The story is the same from Texas to Louisiana, and Oklahoma to Alaska."

Fred Hartley, chairman of Unocal, a West Coast oil company, is one of a growing number of executives calling for some form of protection such as an oil import fee. He argues that "The predatory price cutting" of the Opec producers is "mortally wounding most of America's domestic oil producers."

If oil prices of $13.50 per barrel, or lower, persist for long, Mr Hartley predicts that America's 650,000 barrels a day of enhanced oil recovery production will stop and as much as 350,000 barrels per day of production from small oil wells will be lost.

Mr Clifton Garvin, chairman of Exxon and a director of Citicorp, the largest US bank, says that "there is at least a possibility that the shock to parts of our economic system could be so severe as to precipitate a crisis."

Mr George Salem, a bank analyst with Donaldson, Lufkin and Jenrette, says that the Texas banks are "caught in a web of declining oil prices, rapidly eroding real estate values, slow (or negative) loan growth and the powerful multiplier effect of falling energy prices on the Texas economy.

As the problems in the oil patch have worsened, US bank regulators have been hurriedly collecting statistics and the figures reveal some interesting trends.

Earlier this week Mr Robert Shumway, director of bank supervision at the Federal Deposit Insurance Corporation (FDIC), released details of a special survey which his agency had carried out in conjunction with the comptroller of the currency.

The survey identified 563 energy banks, defined as banks which reported concentrations of at least 25 per cent of capital in oil and gas loans. These banks held a total of $61bn of which $57bn was held by 59 banks with assets of over $1bn.

In other words, some 92 per cent of total US energy loans are concentrated in the large regional and multinational banks across the US. These figures do not include US bank exposure to Third World oil producers such as Mexico ($25bn of US bank exposure) or Venezuela ($23bn).

Approximately two thirds of oil and gas credits of the 59 large banks are $20m in size or larger. These credits are reviewed annually by the bank examiners and as of a year ago, 17.5 per cent of the oil and gas credits were criticised (or subject to questioning). This is more than three times the percentage in other industry loan reviews.

Given that the last review was undertaken before the sharp collapse in oil prices, US regulators are resigned to sharply higher problem loans in the next review.

The Comptroller of the Currency's Office, which supervises national banks and includes the majority of the US majors, also punctures the popular myth that the exposure of the big banks is largely concentrated on lending to the US oil majors.

The top 20 oil companies in the US control 80 per cent of the oil and 60 per cent of the gas reserves in the US, but the Comptroller's Office says that "the banking industry's exposure to those companies is relatively low."

According to its figures, the 245 national banks, which fall into the category of energy banks, only had $3.4bn, or 8.5 per cent of total loans, outstanding to the US oil majors.

So far, the financial markets have shown little concern about the growing problems of America's energy banks. There has been no evidence of any significant "tiering" in the market for bank Certificates of Deposit (CDs).

This may partly reflect the fact that the energy banks have a loyal retail depositor base, are generally well capitalised and that the financial markets assume that the authorities will be able to "manage" any financial strains. On the other hand it could also indicate that the scale of the energy bank problem has been underestimated.

William Hall
New York

Producers forced to reassess the odds

LIKE TRADITIONAL duellists the two oil industry giants, Shell and Exxon, have reacted to the continued slide in crude prices by facing in opposite directions.

Earlier this month Exxon announced a $2.6bn cut in its capital spending plans for 1986, lopping 26 per cent off its budget and sending renewed waves of anxiety through the supply industry. On the same day, Mr Peter Holmes, chairman of Shell Transport and Trading was explaining why Shell had *not* planned significant cuts.

"We are committed to the long-term acquisition of reserves," he said at the presentation of the company's 1985 results, adding: "We are going ahead on the basis that low prices now will hasten the time when the world will once again rely on Middle East products."

The contrast between Exxon's swift and ruthless application of the scalpel and the cautious diagnostic approach of its largest rival shows the acute dilemma now facing all the major oil companies: if they cut investment they may jeopardise their future; if they fail to cut some of them will have no future.

Moreover, the cuts in exploration and development now planned by Exxon and a flock of other oil companies will help to make the Shell chairman's prophesy come true; for they will reduce the amount of oil available to the west in five to 10 years' time when most experts expect demand to be rising while current reserves are running down.

Most of the big US oil companies have opted for surgery. In Exxon's case, a loud public announcement followed by a rapid decision to shut all but one of its regional affiliate offices doubtless reflects its centralist style.

Yesterday, the company announced the first major effect of this strategy with a $1bn cut from a planned $1.8bn joint investment with BHP of Australia in the Bass Strait oil and gas fields.

However, Exxon must be subject to exactly the same doubts as are now worrying Shell. As Mr Holmes says: "The key question is, are prices going to stay down for ten months or ten years? No-one has any idea." But at the end of that decade he judges Shell is more likely to regret being too pesimistic now than being too optimistic.

As events unfold, the strategies of Shell and Exxon may not prove to be as far apart as they seem now. If the oil price remains at $15 a barrel, Shell will undoubtedly shelve some development projects, while if prices recover to $18 to $20 a barrel, Exxon is likely to stay the fall of its axe.

In the North Sea, where the two are long-standing partners, they will have to reach a compromise. As Mr Bob Reid, chairman of Shell UK, says: "Exxon has got a view of capital expenditures which is not exactly the same as ours.

Exxon and Shell, with strong cash flows and relatively light debt burdens, have the luxury of choice. For many of their smaller fellows, the prospect of a $15 barrel for the rest of this year has grim implications.

This is particularly true for those companies still loaded with debt as a result of the wave of mega-takeovers.

Since 1979, when oil reached the equivalent of $55 a barrel at present day prices, the 20 largest mergers have had a total value of nearly $75bn according to Arthur Andersen, the international accountant. A third of this figure was accounted for in five mergers last year, including Chevron's gigantic ingestion of Gulf.

Chevron, which manfully reduced its long-term debt from $12.4bn to $9.4bn last year, clearly still has a big problem if oil prices remain depressed. It announced almost exactly the same percentage cut in its 1986 capital expenditures as Exxon's, by lopping $1bn off the $3.9bn budget. Amoco and Phillips are cutting by 30 per cent, and Mobil, which has not made an announcement, is thought to be planning similar surgery.

The impact of lower prices will be particularly severe on some of the smaller companies which depend mainly on crude oil production. Britoil, for example, which is relatively strong financially, has been forced to cut its offshore exploration budget by 40 per cent to £170m.

At British Petroleum, which has a good financial position and paid off a substantial amount of debt last year, the picture is confused by continuing problems with its half-owned US subsidiary, Standard Oil. Despite Standard's ill-judged attempts to diversify, it is still heavily dependent on oil from the north slope of Alaska. This costs about $12 to deliver to the terminals, so margins are now perilously narrow.

At the end of last month Sir Peter Walters, BP's chairman, said the company did not yet have firm plans to cut investment. However, the expectation is that BP will shave some £400m or about 15 per cent off its £2.5bn investment budget for 1986, about half of it from its upstream operations.

Taking the industry as a whole, Mr Dillard Spriggs, president of Petroleum Analysis in New York, believes that cuts will turn out to be about 30 per cent to 40 per cent with a strong bias towards exploration spending in the US, where many companies' costs have recently been high relative to returns. For the leading 15 companies, decisions already taken indicate a cut of about $10bn on a total budget of $46bn, he says.

But a $15 oil price would cut the net income of the 12 largest oil companies by between 87 per cent and 97 per cent compared with the 1985 level — to around $18.6bn — according to Duff and Phelps, the Chicago analyst. Total capital spending was $106bn in 1984 compared with the peak $139bn in 1981.

The biggest companies are certain to be strongly tempted to maintain their reserves by buying oil on the stock market and picking up those small to medium-sized companies whose debt burdens may push them into a distressed sale.

As proved reserves in the North Sea, Alaska and other non-Opec areas run down over the next decade, everyone expects the free world will once again move towards dependence on Gulf producers which have 75 per cent of the world's oil. The question is, when? As Mr David Gray, oil analyst for James Capel, the London broker, says: "It makes a lot of difference for an investment now whether the oil market tightens in 1990 or 1996."

If the oil companies get it wrong, they will leave the West vulnerable to a renewed squeeze by Opec, and perhaps even more important for them, will miss out on the crock of gold which could lie at the end of the rainbow.

Max Wilkinson

Letters to the Editor

Privatisation and petrol

From Mr I. Kennington

Sir,—As the Chancellor led and others joined the call on oil companies to absorb the increase in the petrol duty imposed in the Budget, it is opportune to reflect on the implication of such pressure for the Government's future privatisation programme.

It was in 1984 that HM Treasury received the final payment on selling shares in British Petroleum. What conclusions are to be drawn of a vendor which feels able, soon after selling an equity interest, to press for a reduction in the company's profits? Conflicts of interest through HMG's wider public duties and responsibilities are inevitable but it is for consideration how long an interval wipes the conflict slate clean.

My advice to the Chancellor is to avoid crystallising such conflicts. His pressure on BP was unnecessary. If his analysis of the petrol companies' profit margins was correct, competitive market forces would have achieved his objective in reasonable time. Could it be that his confidence in the power of the market place was waning?

The high-profile petrol conflict invokes the need for a closer analysis of the potential for conflicts in future offers for sale under the remaining privatisation programme. For "petrol" will we hear "gas" next time? Sadly, the Budget speech has demonstrated a lack of sensitivity when a conflict arises. In order to assist attainment of the privatisation programme consideration should be given to excluding high conflict-prone candidates like the Royal Ordnance Factories and British Airways from the public offer-for-sale route. My concern is for small investors. Professionals are well able to make their own assessments of the added risks involved.

Potential conflicts of interest in the City often lead to the strengthening of Chinese walls; those involving Government lead to a closing of ranks. HMG's practice in privatisations has been to require all relevant personnel from its City and other advisers to sign allegiance to the Official Secrets Act, thereby precluding proper assistance being given by those personnel to a post-offer-for-sale inquiry unless HMG has given its prior consent. Experience in the Westland affair does not lend encouragement. It would be a welcome demonstration of HMG's support for self-regulation if use of the Official Secrets Act in privatisations ceased. Perhaps the Stock Exchange, in the exercise of its regulatory role, should make it a prerequisite for the listing of a privatised company's shares that all advisers, civil servants and others involved should thereafter be appropriately released by HMG.

I. G. Kennington.
19, Deepdale, SW19.

Pension fund surpluses

From the Editor, Financial Outlook

Sir, — The Chancellor has announced measures to reduce the unacceptable level of pension fund surpluses. The actuarial profession has been swift to criticise the new measures. I list below the most important criticisms (described by Eric Short, March 20), and explain why the Chancellor should reject them.

"The assumptions used to determine whether a surplus exists should allow for the varying circumstances of individual funds." A standard set of assumptions is essential to end the practice of hiding an emerging surplus by switching to unfavourable assumptions;

"The proposals cause particular problems to small, self-administered schemes for controlling directors, as these schemes tend to be highly funded." Such funds are typically a blatant device for postponing or avoiding tax liability and the Chancellor must be congratulated for closing this loophole.

"The use of market values is too subjective and will not reflect the underlying financial position of each fund." How can anything be *less* subjective than a market value? If the trustees are convinced that asset prices are likely to fall, the fund can be moved into cash, thus securing its value. If the trustees are unconvinced, then they believe that current market prices are a better indicator of the financial position than the actuaries' guesswork;

"The 5 per cent overfunding permitted by the Chancellor is too small and 10 per cent would be better to avoid fluctuations in contributions." The Government Actuary will announce "prudent" (the Chancellor's word) assumptions to be used in determining the size of any surplus. This cautiousness means that a fund's protection against being unable to meet its obligations is much greater than suggested by the 5 per cent figure. Even so, some companies may now have to change their contribution rate more frequently, but the most frequent change would be every three years.

The actuaries have failed to introduce self-regulation in the vital area of pension surpluses. The Chancellor's new measures are sound and should not be modified.

Giles Keating.
London Business School,
Sussex Place, NW1.

Taxation by Press release

From the Assistant General Manager, Skipton Building Society.

Sir,—The Press releases issued to clarify the Chancellor's Budget speech included details of the taxation of certain transactions by stamp duty, commencing on March 25, 1986.

The relevant Press release is ambiguous to such an extent that inter alia it is not clear whether transactions in local authority debentures due to mature in less than five years suffer duty or not. This raises interesting legal questions. While ignorance of the law is no defence, is ignorance of Treasury Press releases? Alternatively is an inability to decipher a release tax evasion, and what happens if the Bill disagrees with the release or if the relevant clause is lost before enactment?

This society has traded actively in local government stocks but will be forced to cease to do so if the duty is payable. No doubt others will be in a similar position. As a consequence the authorities will need to pay a higher rate of interest to raise capital as no market is available for investors to sell into. The extra cost to the public sector will far exceed any Revenue again.

Surely there is no merit in a tax introduced by Press release which costs the authorities more than the revenue earned.

I. R. Hepworth,
High Street,
Skipton, N. Yorks.

Value added tax and charities

From Mr H. Mainprice

Sir,—In his Budget statement the Chancellor of the Exchequer announced a package of VAT reliefs designed to assist the handicapped and charities. One of the reliefs which was announced was the zero-rating of vertical lifts and distress alarm systems supplied to the handicapped and charities caring for them. In the Press notice issued on March 18 Customs and Excise states "Supplies to the able-bodied elderly are not relieved."

A large number of elderly people wish to live in their own homes. If they are living alone they are clearly in danger of a sudden illness which incapacitates them. The protection of an alarm system desigend to alert help when this happens enables a number of such persons to continue to live in their own homes and it seems unnecessarily heartless on the part of the Government to exclude them from relief from VAT on such alarm systems.

In our block of flats an elderly woman, able-bodied, living alone, suffered a stroke and lay unconscious for over 36 hours before she was discovered. If she recovers sufficiently to return to her own flat she will be handicapped, the stroke having paralysed her down the right side, and therefore eligible to purchase an alarm system which will not be subject to VAT. Before her stroke she would have had to pay additional 15 per cent if the new relief excludes able-bodied elderly persons.

The amount of revenue involved is minimal and the saving in other areas, because elderly persons will be able to continue living on their own, would be considerable.

H. H. Mainprice.
7, Prince Edward Mansions,
Hereford Road W2.

Pressure on management

From Mr R. Turton

Sir,—In his examination of the implications for management of personal equity plans (March 20), Clive Wolman ignores a major consequence of yet further pressure upon management to concentrate on short term aspects of share price and dividend yields.

A characteristic emphasis upon short term results by British management, driven as it is by share price fluctuations influenced by dividend policies, prevents them taking a long term view of opportunities in markets and technologies. Paying out hard earned cash in dividends to protect share price denies funds for investment in the research and development of new products and production technologies.

If it is to succeed against major competitors, British industry must concentrate upon long term investment not short term share price fluctuations. Share prices should reflect the proportion of funds going into training and product and production technology development rather than dividend yield. It is in the interests of both private and institutional investors to consider not only the size of the payout today, but whether or not there will be a payout at all tomorrow.

Richard Turton.
16, Kersteman Road,
Redland, Bristol.

FINANCIAL TIMES

Thursday March 27 1986

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US HELICOPTER PILOTS AIRLIFT HONDURAN TROOPS TO BORDER

Reagan's Contra aid gets boost

BY REGINALD DALE, US EDITOR, IN WASHINGTON

THE LATEST reported incursion by Nicaraguan forces into Honduras has greatly improved the chances that President Ronald Reagan will win congressional approval for renewed US military aid to Nicaragua's anti-government Contra rebels, according to both Republican and Democratic leaders on Capitol Hill.

With the Senate due to vote on Mr Reagan's $100m Contra aid plan late last night or today, the White House announced that US helicopter pilots had started air-lifting Honduran troops to the border to prevent new inroads by the Nicaraguans.

Mr Larry Speakes, the White House spokesman, said that the US had reports that there was still "a sizeable contingent" of Nicaraguan forces inside Honduras and that "the situation has not stabilised."

Later reports suggested that elements of the Nicaraguan forces that had previously been trapped inside Honduras were trying to disengage and make their way back across the border.

With Managua continuing to deny that its forces had crossed the border, some members of Congress were cynical about the administration version of events, the timing of which appeared to be so advantageous to Mr Reagan. Liberal Democratic Senator Christopher Dodd, of Connecticut, an opponent of the Contra aid, said that he suspected that the Administration was using the incident to win backing for Mr Reagan's request.

Opponents of the aid were also encouraged by a Washington Post-ABC news opinion poll which showed 60 per cent of Americans approving of last week's House vote rejecting Mr Reagan's plan, and only 35 per cent approving. Just over half (52 per cent) disapproved of Mr Reagan's overall policy towards Nicaragua, with 37 per cent in favour.

Consensus on Capitol Hill, however, was that Mr Reagan's hand had been considerably strengthened by Nicaragua's activities on the Honduran border, whatever the exact details of the incident might turn out to be. Mr Reagan's opponents were astonished that Nicaraguan President Daniel Ortega appeared to have chosen such a moment to conduct large-scale military operations in such a sensitive area.

Mr Tip O'Neill, the House Speaker, who led the opposition to Mr Reagan in the House, said: "I have met him (Mr Ortega), but I think he's a bumbling, incompetent, Marxist-Leninist Communist." He predicted that Nicaragua's action would cause some Democrats to change their minds and support the Contra aid package when the House votes again on April 15.

Supporters of the aid package were delighted by the turn of events, comparing it to a – badly-timed visit to Moscow by Mr Ortega last year, which swung Congressional support behind humanitarian aid for the Contras. "I think he shot himself in the foot", said Mr Robert Dole, the Senate Republican majority leader.

Democratic Senator Patrick Leahy, of Vermont, said flippantly that he "had heard a rumour that Daniel Ortega is secretly on the payroll of one of our intelligence agencies as a lobbyist for the Administration."

Mr Dole was yesterday in talks with Democratic leaders to see if a bipartisan compromise could be reached, probably adding further conditions to Mr Reagan's request, so as to enable the Senate to vote heavily in favour of renewed military aid to the Contras. Mr Dole said that Mr Reagan's plan would probably pass anyway, but he would prefer to muster a large majority so as to send "a clear, strong message to Managua."

US airlift, Page 6

Gatt warns on impact of oil price fall

By William Dullforce in Geneva

GOVERNMENTS were warned yesterday to avoid complacency over the stimulating effects on world trade of lower oil prices. They needed to improve their trade policies if the favourable effects were not to be thwarted by trade barriers and subsidies to domestic industries and exporters, the secretariat of the General Agreement on Tariffs and Trade (Gatt) said in an assessment of international trade in 1985.

It foresaw an increase of 4 to 5 per cent in world trade in 1986 after the disappointing slowdown to 3 per cent growth last year.

Falls in oil prices, interest rates and the dollar exchange rate were listed as factors stimulating domestic demand and trade exchanges in the short term. But the shift in relative prices, Gatt warned, will impose changes on existing production and trade patterns and test governments' ability to handle them.

Gatt economist fear that "inappropriate responses" by governments will prevent the longer term, supply-side effects of the price falls from coming through.

The kind of responses they have in mind are bigger consumer taxes on fuels and US restrictions on imports from Japan instead of a real effort by the Reagan Administration to reduce its budget deficit.

It was essential that adjustments be allowed to take place and that governments resist protectionist pressures and confirm their readiness to restore credibility to the trading system, Mr Arthur Dunkel, the Gatt director general, said.

With petroleum and petroleum products accounting for about 15 per cent of the value of world trade, the price falls are bound to have a strong impact, Gatt recognises.

Details, Page 6

Canada's Belzbergs bid to take over Ashland Oil for $1.9bn

BY WILLIAM HALL IN NEW YORK

THE BELZBERG family of Canada, which has been involved in several contested bids in the US over the last couple of years, has offered $1.9bn for Ashland Oil, the largest independent refiner in the US.

Mr Samuel Belzberg, the chairman of First City Financial corporation, has sent a letter to Ashland offering to pay at least $60 a share for all of the stock of Ashland. The offer, which was included in a filing with US Securities and Exchange Commission, expires on Monday.

The shares of the Kentucky-based Ashland Oil had risen sharply on Tuesday after the disclosure that the Belzberg family had acquired a stake of close to 9 per cent in the company. They jumped by another $2¼ to $54¼ in late trading yesterday.

Mr Belzberg said in his letter to Mr John Hall, Ashland's chief executive, that if "you reject our proposal and our offer to negotiate, we will consider all available alternatives." Ashland had no immediate comment yesterday.

Ashland, which had sales of $8.1bn and net income of $147m in 1985, is benefiting along with other refiners from the fall in oil prices which enables it to improve its margins.

In addition to its important refining and petroleum products operations, Ashland is the parent of Valvoline Oil Company, the third biggest marketer of branded packaged motor oil and is the largest distributor of industrial chemical products. It is also a leading coal producer

Wall Street analysts say that the company has been vulnerable to a takeover bid for some time and note that predators are attracted by its strong and reliable cash flow. Ashland has recently taken steps to make a hostile takeover more difficult and has been streamlining its operations.

Last year the company earned just over 13 per cent on its equity and has set itself a long-term goal of achieving a 17 per cent return. In 1984 the company earned 6 per cent on its equity.

The Belzbergs are no strangers to the US energy industry and were part of the investor group which helped Mr T. Boone Pickens mount his takeover bid for Gulf Corporation. Although Gulf was eventually bought by Chevron for more than $13bn, the Belzberg family made handsome profits on their investment in Gulf shares.

UK Government criticised by MPs over role in tin crisis

BY STEFAN WAGSTYL IN LONDON

THE British Government was yesterday heavily criticised by a committee of UK Members of Parliament over its involvement in the international tin crisis and its refusal to answer fully questions on the affair.

The all-party Trade and Industry Select Committee is asking for a House of Commons debate on the failure of Mr Paul Channon, Secretary of State for Trade and Industry, and his officials to answer all its questions.

This is seen in Westminster as the most serious challenge so far to the Government over its attitude to the work of select committees, which were set up to monitor the work of the executive. In demanding a parliamentary debate the committee has gone further than the Defence Select Committee, which has met similar difficulties in its inquiry into the Westland helicopter affair.

The committee's report on the tin crisis, published yesterday, is scathing over the Government's role in the affair as a member of the International Tin Council, the inter-government body which ran out of money last October owing £900 ($1.3bn) to banks and metal brokers.

The committee says that the Government "bears a heavy responsibility towards those who have suffered" in the crisis. The legal immunity of the council and the secrecy surrounding its affairs placed an extra duty of care on the Government. The UK failed to exert enough pressure on the Tin Council to reform its finances; officials glossed over the financial problems "so as not to rock the boat;" ministers should have taken up the issue but did not.

Morever, the warnings given by the DTI before the crisis broke to Mr Jacques Lion, London Metal Exchange board chairman, were so imprecise "as to be worthless." It was also "unforgivable" that the department warned the LME but not others who stood to lose if the ITC reneged on its debts – Cornish tin companies and banks which had lent to the council.

Mr Robin Maxwell-Hyslop, a Conservative committee member, accused the DTI of "astonishing incompetence."

The committee believes that the ITC's failure to support prices was inevitable. Mr Warren said that once the council "got airborne it was on a total kamikaze flight."

Commodities, Page 36

Dollar slips back ahead of Easter holidays

By George Graham in London

THE DOLLAR's sharp rise earlier this week came to a halt yesterday as dealers prepared their positions for the long Easter weekend. After gaining nearly 10 pfennigs against the D-Mark on Monday and Tuesday, the dollar yesterday slipped back slightly to close in London at DM 2.33.

Later in New York, the dollar closed at DM 2.330 and Y179.95 while sterling, helped by fading concern about a further slide in the oil price, ended at $1.4780.

The upward movement this week was viewed by foreign exchange dealers as the first significant reversal of the dollar's long-term decline since the Group of Five (G5) leading industrial nations agreed in September to take concerted action to secure the dollar's depreciation. The rise has, however, been widely seen as a temporary correction rather than a more significant change of direction.

Japanese officials have in recent weeks voiced increasing concern that the dollar has now reached excessively low levels, and market traders have now become wary of possible central bank intervention to back up this concern. Since the G5 meeting in September it has fallen by 25 per cent against the yen, compared with a fall of only 18 per cent against the D-Mark.

In London yesterday the dollar closed at Y179.80, against Y180.20 the previous day.

Trading is likely to be thin today ahead of market holidays in many European countries. Some movement is expected, however, as speculators traditionally regard Easter weekends as suitable opportunities for realigning the EMS exchange rate mechanism.

While the French franc has remained close to a rate of FFr 3.07 against the D-Mark, pressure has built up on Eurofranc deposit interest rates. Overnight Eurofranc rates earlier this week reached the giddy heights of 40-50 per cent. Although they have fallen since then, they remain nearly twice as high as domestic interest rates, which are insulated from them by exchange controls.

Another beneficiary of EMS speculation was sterling, which regained ground yesterday. The pound closed in London at $1.4750, a gain of over 1 cent.

Money markets, Page 37; London stock market, Page 40

UN talks on US conflict with Libya

Continued from Page 1

the exercises were continuing as scheduled. A three-ship task force led by the cruiser Ticonderoga sailed deep into the Gulf, without opposition, and US aircraft continued their patrols over the disputed waters. Officials added, however, that there had been no attempt to breach the 12-mile limit that the US regards as Libyan territorial waters.

At the White House, Mr Larry Speakes, the presidential spokesman, said it had not yet been decided whether President Ronald Reagan should notify Congress of the operations under the 1973 War Powers Act.

The UN Security Council meeting was requested by Malta and the Soviet Union and a UN spokesman said that the US had not opposed the meeting. Libya, however, had questioned the value of a recourse to the Security Council, where the US has the power of veto.

Mr Gorbachev, who fiercely attacked the US in his Kremlin speech for its action in the Gulf of Sirte, said that Moscow kept warships permanently in the Mediterranean only because of the presence there of the US Sixth Fleet.

Mitterrand and Chirac clash

Continued from Page 1

priorities the return to a majority voting system to replace the existing system of proportional representation introduced by the Socialists, and a series of measures to reinforce security and combat terrorism. But the Government gave no details of its new law and order proposals yesterday.

Among other measures the Government intends to introduce is a reform giving the Bank of France greater autonomy. This would be included in the 1987 draft budget.

Mr Chirac, meanwhile, yesterday addressed a letter to the country's main union leaders to underline his desire to establish "a constructive and confident dialogue"

THE LEX COLUMN

Panel to City: knock it off

The British Takeover Panel must be running out of notepaper. An announcement a month is roughly par for the course at the Panel but yesterday it issued no fewer than three separate statements, much the most significant of which was a set of Queensberry rules on takeover advertising. Whatever gentlemen may say about each other behind closed doors, they must now restrain their views in print.

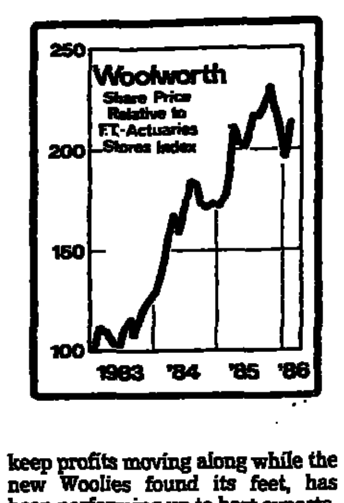
If it was not already obvious that takeover advertising had departed from the prospectus standards demanded by the Takeover Code, a couple of lawsuits alleging injurious falsehood must have made the point perfectly clear.

The Panel is to be congratulated not only on taking action itself, rather than shuffling the matter off to Investor Protection Committees, but on framing the rules tightly enough to deter abuse. Of the eight categories of advertisement permitted by the Panel, only one – product or corporate image advertising – provides any sort of loophole. And the Panel has hinted that it will ban even image advertising if that loophole is exploited.

The new rules will presumably enjoy the full support of the institutions, which have been concerned not so much by the ethics of takeover advertising as by its extravagant cost. More important, the Panel may at some point need to count on the support of the courts. The advertising rule-book has no more statutory backing than the rest of the Takeover Code and it is open to any enterprising advertiser to seek a judge's opinion of a copywriter's work.

For the time being at least, the Panel will continue to pre-vet takeover advertisements so publication of unacceptable copy would represent open defiance. And, for all the recent recourse to the courts, few merchant bankers would relish a public confrontation with the Panel, which retains the right to print knocking copy as and when it pleases.

Woolworth



When Paternoster reverted to being plain old Woolworths, the new management gave itself seven years to sort out the mess in the core retail chain. That timetable is still in place but there was plenty of evidence yesterday that the group was hoping to step up the pace.

For one thing neither B&Q nor Comet, which had been expected to keep profits moving along while the new Woolies found its feet, has been performing up to best expectations. And for another, Woolworth finds itself the butt of takeover rumours, a fact implicitly recognised in yesterday's accounting treatment of capitalised interest and property profits.

The group reported a 43 per cent improvement in pre-tax profits to £81.3m. Ultra-conservative accounting might have produced, well, rather less.

Woolworth is working on the management problems at Comet and contending with the impact of bad weather and Sabbatarianism on B&Q, but yesterday the main thrust of its message was the new look at the Woolworth chain.

Groceries and adult outerwear are on their way out, at a substantial below the line cost, and the company will from now on concentrate on building half a dozen merchandise departments.

It all looks fine on paper – and even better on celluloid – but the City still has its reservations about the depth of Woolworth's retail management. And that was reflected in a 12p fall in the share price to 610p, roughly 17 times this year's likely earnings.

BAT Industries

Every company needs to account in some currency or other, and since BAT pays its dividend in sterling, that is the currency in which it reports its profits. But there are times, of which the year 1985 is a prize example, when the choice must seem unfortunate.

BAT's underlying performance was not particularly good, indeed there was 3 per cent decline in constant currencies, but translation effects produced a 17 per cent fall in pre-tax profits to £1.17bn.

That this version of things should not be taken too seriously was underlined by the 17 per cent increase in dividend. Looking backwards, cash flow has been strong enough to reduce gross gearing by nearly 15 points during the year from the peak indebtedness which followed BAT's second investment in the UK insurance business.

The results of diversifying into financial services do not, as yet, make an overwhelming case for the strategy. Without the help of Grovewood (since sold) and the credit taken for investment gains, Eagle Star would not be producing much in the way of accounting profits to consolidate.

Looking forwards, it seems pretty clear that the disposal of second-line and loss-making US retail assets, added to successful cigarette price increases in the US and West Germany, should point local currency profits the right way in 1986. But that is something that the market has been discounting for some while.

Lucas

If anyone planned to bid for Lucas he has left it a little late.

Yesterday's 38p rise in the share price to 651p takes the market value to nearly £800m, a large chunk of which would be goodwill. From here the shares will have to rely on something more substantial like earnings growth to keep the rating up.

For a year or two at least Lucas should provide that. After interim pre-tax profits of £38m, up from £15.3, top estimates of £100m (£57.8m) for the year to July could be met and with previous losses cutting the tax charge shareholders get the benefit.

A £20m pension holiday and a half-year's interest saving from a £90m rights issue makes a good profits base. The aerospace division's order books are flying high and look like providing rising profits for some time.

Overseas automotive profits are gaining, while in the UK losses are slightly down with a target of break-even next year.

The brake on the P&L is yet more provisions on UK electrical components, though the end might now be in sight. After this one, dividends should come out of earnings not reserves.

Lafarge Coppée profits rise 58% to FFr 766m

BY PAUL BETTS IN PARIS

LAFARGE COPPEE, the leading French cement group, yesterday reported a strong increase of 58 per cent in consolidated net earnings of FFr 766m ($106.9m) last year, compared with FFr 485m the year before.

The group's operating results were also 50 per cent higher, totalling FFr 920m last year compared with FFr 611m in 1984. Consolidated sales of FFr 17.4bn last year were 7.6 per cent lower than the FFr 18.9bn 12 months earlier.

The strong performance reflects the recovery in the group's cement and materials businesses. The cement activities improved by benefiting from the first fruits of the group's cost reduction and restructuring programme in this sector.

The company has decided to increase its dividend payout by 22.6 per cent to FFr 28.50 a share

Lafarge Coppée also reported last night that the parent company had net earnings of FFr 335.5m last year compared with FFr 236.5m a year earlier.

Cambridge Instrument in US acquisition

BY DAVID GOODHART IN LONDON

THE Cambridge Instrument Company, the leading UK unquoted scientific instruments group, has announced an acquisition from Warner-Lambert, the US healthcare company, which will more than double its size.

Mr Terry Gooding, the nuclear scientist turned entrepreneur who rescued Cambridge Instrument from near bankruptcy in 1979, said yesterday that the deal would make his company a major player in the world market

Cambridge has acquired Warner-Lambert's Reichert Instruments division which employs 2,100 people and has annual sales of £85m ($124m), about 70 per cent of which are in the US.

Warner-Lambert is not disclosing the price of the sale. But Cambridge Instrument is understood to be paying about £45m.

The UK company has a turnover of about £60m and had planned to come to the market last year, until the rapid decline in the stock market valuation of high-technology groups.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	13	55	Dubrovnik	R	13	55	Malta	S	20	68	Rhodes	F	20	68
Algiers	R	11	52	Edinburgh	F	7	45	Manchester	F	7	45	Rio de J'o	C	35	95
Amsterdam	C	7	45	Faro	S	15	59	Manila	S	33	91	Rome	C	17	63
Athens	F	20	68	Florence	F	14	57	Melbourne	S	33	91	Salzburg	C	7	45
Bahrain	S	22	72	Frankfurt	C	7	45	Mexico City	S	22	72	San Francisco	S	22	72
Bangkok	S	34	93	Funchal	C	16	61	Miami	C	22	72	Seoul	S	13	55
Barcelona	S	14	57	Geneva	C	7	45	Milan	S	12	54	Singapore	F	31	88
Beirut	S	23	73	Gibraltar	S	15	59	Montreal	F	4	39	Stockholm	R	0	32
Belfast	F	7	45	Glasgow	C	7	45	Moscow	C	0	32	Strasbourg	C	9	48
Belgrade	R	10	50	Guernsey	F	8	46	Munich	F	8	46	Sydney	S	29	84
Berlin	C	9	48	Helsinki	C	1	34	Nairobi	F	27	81	Taipei	C	22	72
Biarritz	S	12	54	H. Kong	C	19	66	Naples	F	11	52	Tangier	—	—	—
Bombay	S	34	93	Innsbruck	F	5	41	Nassau	C	25	77	Tel Aviv	S	20	68
Bordeaux	C	9	48	Inverness	S	8	46	New Delhi	S	27	81	Tenerife	C	17	63
Brussels	C	9	48	Islamabad	C	19	66	New York	R	16	61	Tokyo	S	12	54
Budapest	S	10	50	Istanbul	S	15	59	Nice	S	-5	23	Toronto	F	20	68
B. Aires	S	23	73	Jakarta	C	31	88	Nicosia	F	20	68	Tunis	R	13	55
Cairo	S	24	75	Jersey	F	9	48	Oporto	C	12	54	Valencia	S	15	59
Cape Town	S	25	77	Jo'burg	C	18	64	Oslo	F	2	36	Venice	S	11	52
Caracas	C	27	81	Lima	S	24	75	Paris	C	9	48	Vienna	F	9	48
Casablanca	—	—	—	Lisbon	C	13	55	Peking	S	14	57	Warsaw	F	10	50
Chicago	C	22	72	London	F	10	50	Prague	F	8	46	Washington	S	11	52
Cologne	F	16	61	Los Angeles	S	26	79	Reykjavik	F	1	34	Zurich	C	5	41
Copenhagen	C	4	39	Luxembourg	F	3	37								
Corfu	F	16	61	Madrid	F	13	55								
Dallas	C	15	59	Majorca	C	14	57								
Dublin	F	7	45	Malaga	S	15	59								

Readings at mid-day yesterday.
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

ADR tax attacked

Continued from Page 1

The London exchange has long campaigned for stamp duty on UK share transactions to be abolished, arguing not only that it deterred UK investors from the stock market but also that trading of British shares was being driven to the US market. Trades of ADRs after conversion are free of stamp duty.

The exchange was dismayed, however, that the budget's reduction of UK stamp duty from 1 to ½ per cent was accompanied by the 5 per cent penalty tax on conversions into ADRs – apparently an attempt to prevent tax-dodging through use of ADRs.

Creation of new ADRs has ceased since the budget announcement. ADR prices moved to a 3 to 4 per cent premium to London prices reflecting the increased cost, but the premium has since narrowed because US interest in UK shares is rapidly subsiding.

Mr Stephen Raven, chairman of the international markets committee, said yesterday: "We are trying to internationalise the exchange by having new members joining and popularising British shares overseas to increase liquidity and interest in our market."

The committee's statement called the tax "a disappointing and retrograde step." It put British companies wanting to raise capital internationally at a disadvantage and would not help the Government's attempts to market abroad the shares of newly privatised companies.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday March 27 1986

Dresdner to increase dividend by a third

BY JOHN DAVIES IN FRANKFURT

DRESDNER BANK, West Germany's second largest bank, is increasing its dividend substantially after record operating earnings last year.

The 1985 dividend is going up to DM 10 ($4.30) a share, compared with DM 7.50 for 1984. That is the highest dividend since 1976, when Dresdner also paid DM 10.

Mr Wolfgang Roeller, chief executive, indicated several months ago that he expected a record group operating profit of about DM 2.5bn for 1985, compared with about DM 2bn for 1984. Details will be disclosed later this week.

Like many other West German banks, Dresdner has been enjoying several years of buoyant earnings as a result of the boom in stock-market activity and favourable interest rate trends.

It has recovered strongly from its difficulties at the beginning of the 1980s, when mismatched lending and rising interest rates depressed the earnings of many West German banks. Dresdner reduced its dividend to DM 4 a share for 1981 and 1982, but has steadily increased it since.

The latest dividend rise is likely to add to the standing of Mr Roeller, a capital-markets expert who took over as chief executive when Mr Hans Friderichs resigned just over a year ago.

Dresdner went through a period of uncertainty as it became clear that Mr Friderichs, a former economics minister, faced court proceedings in the Flick political-payments affair. Although he has denied accepting payments from the Flick industrial group, Mr Friderichs decided to step down from his post at the bank.

Mr Roeller has given strong impetus to Dresdner's activities, including its plans to become more firmly established in Japan.

Commerzbank, another of West Germany's big commercial banks, announced this year that it would increase its dividend for 1985 to DM 8 a share from DM 6. Deutsche Bank, which paid DM 12 a share for 1984, has not yet announced its 1985 dividend.

Mr Pehr Gyllenhammar

Volvo backs chairman's authority

By Kevin Done in Stockholm

THE BOARD of Volvo, the Swedish automotive group and the Nordic region's biggest industrial corporation, has reacted to growing criticism of the dominant role played in the concern by Mr Pehr Gyllenhammar, who is both chairman and group chief executive.

Mr Gyllenhammar's role has come increasingly under fire in the wake of the collapse of the planned co-operation deal with Fermenta.

The pact with Fermenta and its majority shareholder, Mr Refaat El-Sayed, announced in early January, was very much a personal deal led by Mr Gyllenhammar, and the way in which it was negotiated has caused clear irritation among parts of Volvo top management and among some leading institutional shareholders.

The deal, under which Volvo would have taken a substantial stake in Fermenta, the Swedish biotechnology group, and would have transferred to it control of both Pharmacia and Sonessons, collapsed in spectacular circumstances in February, when it was disclosed that Mr El-Sayed had lied in information to investors about his academic credentials.

In a statement issued after a meeting yesterday, the Volvo board confirmed that it had discussed the way in which the leadership of the concern was structured.

It expressed strongly its satisfaction with the group's financial performance and emphasised that it had been united on the "so-called Fermenta affair."

It also expressed "full and unbroken confidence in group management with Pehr G. Gyllenhammar as chairman and group chief executive."

It declared, however, that in the face of recent criticism, it had decided to "continue to discuss the development of the forms for conducting" the work of the board.

Concern about the dominant influence of Mr Gyllenhammar in Volvo has increased since the group announced this year that both Mr Hakan Frisinger, managing director, and Mr Ulf Linden, deputy managing director, are to give up their posts during 1987.

CBS rejects $3.75bn bid from Marvin Davis

BY PAUL TAYLOR IN NEW YORK

MR MARVIN DAVIS, the Denver oilman and former owner of Twentieth Century-Fox Film, has confirmed that he offered to acquire CBS, the US television and entertainment group for $160 a share or $3.75bn in cash – but said his bid was turned down by the group, which again asserted that it wanted to remain independent.

Sketchy details of Mr Davis' rebuffed bid emerged after CBS was again engulfed in a new wave of Wall Street takeover speculation. The group's share price jumped by $5.75 a share on Monday and gained a further $1 a share on Tuesday to close at $147 a share. Yesterday, however, in the wake of the revelations about the apparently aborted Davis bid, the network television group's stock fell back by $2 to $145 a share in early and active trading.

Mr Davis, the latest in a string of possible suitors for CBS, gave only limited details of his bid, which he said he made last week both verbally and in writing to Mr Thomas Wyman, CBS chairman. Mr Davis described the proposed bid, which is said to have astonished CBS executives, as "friendly" and said he would only proceed on a "negotiated basis."

Last year, CBS which has been the subject of repeated takeover speculation, successfully rebuffed a hostile takeover attempt by Mr Ted Turner, the Atlanta-based broadcaster. CBS managed to fend off Mr Turner by spending $1bn to buy back 21 per cent of its stock and inviting Loews Corp to acquire up to a 25 per cent stake in the Group.

After initially refusing to comment on press reports of the Davis bid, and separate reports that Mr Preston Tisch, chairman of Loews Corp, had said his company wanted to acquire CBS, the television group confirmed that it had rejected Mr Davis' approaches, insisted that it was not engaged in any negotiations regarding the ownership and control of the company and repeated its determination to remain independent. Mr Wyman said: "Our view today is no different than it was in 1985. We intend to pursue our objectives as an independent company."

Although CBS firmly rejected the Davis approach, and a further bid by Mr Davis appears unlikely, many Wall Street analysts are convinced CBS will face other takeover attempts. The analysts note that CBS is the only one of the three US broadcasting networks that has not been taken over in the past year

Airline bolsters Swire Pacific

By David Dodwell in Hong Kong

SWIRE PACIFIC, the diversified Hong Kong group which in a month's time plans to float part of its holding in Cathay Pacific Airways, yesterday reported after-tax profits for 1985 of HK$1.23bn (US$157m), a 28 per cent improvement on restated 1984 profits of HK$954m.

After-tax profits for the airline alone – in which Swire has a controlling 70 per cent interest – amounted to HK$780m, Mr Michael Miles, the group's chairman, revealed. This figure has not previously been disclosed, but is understood to be 20 per cent above the 1984 figure.

Mr Miles insisted that the flotation of up to 25 per cent of the shares in Cathay Pacific will go ahead on schedule, despite a recent steep fall in share prices on the Hong Kong stock markets. Prospectuses for the issue are expected to be made public on April 22.

Cathay's decision to press ahead with its flotation – which would raise up to HK$1.5bn – contrasts with the decision by Macao Tourism and Investment (MTA), the gambling monopoly controlled by Mr Stanley Ho, to delay its plans to mount a HK$1.5bn public offering by at least six weeks, to the end of May.

Mr Miles said yesterday that such factors as Cathay's international reputation, falling fuel prices, and a buoyant air cargo market meant the company was still confident the offering would be well received.

Swire Pacific also revealed plans for a two-for-one share split, to become effective on June 2, which will enhance the marketablity of shares which have become expensive. Swire shares rose yesterday by 75 per cent to end the day at HK$34.25.

Saipem net profits unchanged

BY ALAN FRIEDMAN IN MILAN

SAIPEM, the Italian state oil and gas drilling and pipelaying group which has been partly privatised on the Milan bourse, returned a consolidated net profit of L65.2bn ($40.8m) for 1985, unchanged on the previous year. Mr Gianni dell'Orto, Saipem president, explained that the consolidated figure was unchanged because it was prepared according to US accounting rules and thus included less depreciation than is allowed in Italy.

The Saipem SPa Italian company saw its net profit rise by 24 per cent to L65.8bn on turnover of L1,221.5bn, up 22 per cent. The group consolidated turnover figure – which includes Saipem subsidiaries in the UK, Nigeria and Saudi Arabia – was 19 per cent higher at L1,463.5bn.

Saipem, which after the latest share issue will be 51 per cent controlled by the ENI state energy holding group, says it is hoping to list its shares on the London Stock Exchange. The company is already quoted on the Milan and Paris bourses.

Only 11.4 per cent of Saipem group turnover comes from Italy, while the largest component – 58 per cent – comes from the Middle East. Business from ENI in the form of drilling contracts for the ENI-Agip Oil company, amounts to only 14.7 per cent of total turnover.

Professor Franco Reviglio, chairman of ENI, said yesterday that while the dramatic fall in the price of crude oil would definitely have a negative impact on service companies tied to the oil sector, he did not anticipate any immediate problems for Saipem because the company at present has L2,600bn worth of orders, including plenty of contracts in the Middle East. "We are experiencing absolutely no payment problems," he added.

Saipem is diversifying away from offshore drilling and pipelaying, and in 1985 only 19.6 per cent of group revenues came from drilling. Some 57 per cent came from land-related work and 23.6 per cent from offshore activities.

Saipem's shareholders' funds totalled L645.9bn at the end of the year compared with a market capitalisation on the Milan bourse of L890bn. "Unlike Fiat, Olivetti and other shares, Saipem is not overbought," said Prof Reviglio.

Mr dell'Orto announced a $35m contract from Saudi Arabia to work on the construction of a 120 kilometre pipeline and said work was going ahead at four offshore drilling rigs, including one near the coast of Sicily

Italian court lifts block on SME bid

By James Buxton in Rome

MR CARLO DE BENEDETTI, the Italian financier, has won an important legal battle in his attempt to win control of SME, the state-controlled foods and supermarkets group.

Last April, Mr De Benedetti agreed with IRI, the state industrial holding company, to buy a controlling 64 per cent stake in SME for Buitoni, the private-sector foods group he had recently acquired.

But the deal was blocked by Mr Clelio Darida, the Minister of State for Industry, who refused to give approval.

This week, however, the Court of Cassation, the country's highest Judicial authority, ruled that the minister had no right to block the deal. It also confirmed the rights Mr De Benedetti received under the contract, which had been challenged by the Government.

Mr De Benedetti now believes that the chances of Buitoni's buying SME are much improved. But the consortium of Barilla, Ferrero and Fininvest, the surviving rival bidder, is insisting that the court judgement changes nothing.

New York operations lift GBL earnings

BY PAUL CHEESERIGHT IN BRUSSELS

GROUP BRUXELLES LAMBERT, the Belgian holding company with a growing range of international financial and industrial interests, last year lifted net income to BFr 5.07bn ($105.9m) from BFr 4.04bn in 1984.

The results from the consolidated accounts and after deduction of minorities, have led to a significant increase in dividend payments.

Ordinary shares are receiving a final dividend of BFr 65 taking the total payout for the year to BFr 110 against BFr 96.40 in 1984. Three categories of shares attracting special tax concessions receive higher dividends.

The results had been anticipated by statements in recent months from GBL executives. On the Brussels bourse the ordinary share price yesterday remained unchanged at BFr 2,955.

A key factor behind the increased profits has been the rise in income from financial interests, notably Drexel Burnham Lambert in New York. After the first four months, Drexel earnings were ahead of the 1984 total and GBL has been expecting tripled net profits at Drexel for 1985 on pretax revenue of $2.5bn.

Drexel is 34.8 per cent owned by Lambert Brussels Corporation, itself 56 per cent owned by GBL.

At the same time, the fortunes of Henry Ansbacher Holdings have improved after a costly restructuring and income has increased at Banque Internationale à Luxembourg. Both are part of the GBL financial network.

Dividend income has also benefited from higher profits among industrial interests. In the energy sector, for example, GBL has a 9.3 per cent holding in Petrofina. For the first time income has been received from the Smurf publishers, Editions Dupuis.

Hiram board advises rejection of takeover

BY BERNARD SIMON IN TORONTO

HIRAM WALKER Resources, the Toronto-based distiller and energy group, has signalled its intention to resist strongly last week's unsolicited C$1.2bn (US$857m) bid by Gulf Canada for control.

Hiram's board yesterday advised shareholders to reject Gulf's offer of C$32 a share for up to 26m common shares and C$28.62 for each Class D preferred share. The board said it considered the bid "a coercive attempt to pressure shareholders into a hasty decision" to sell their shares.

It added that Gulf's offer "significantly understates the value and does not reflect the prospects of Hiram Walker Resources".

Gulf, controlled by the privately owned Canadian property developer, Olympia and York, aims to buy 38 per cent of Hiram's voting shares in an offer to be made on Canadian stock exchanges on April 4. Olympia and York already has an 11 per cent voting interest in Hiram Walker.

Hiram arranged a standby credit of C$2.5bn with a group of Canadian banks this week, apparently to provide a "war chest" to resist Gulf's advances. But the company, whose spirits business includes such brands as Canadian Club and Ballantine's whisky, has not yet disclosed details of its defence strategy.

Among the options mentioned by securities analysts is a competing bid by Interprovincial Pipe Line of Toronto, which operates North America's longest network of oil and gas pipelines. Interprovincial is currently Hiram's largest shareholder with a 16 per cent stake.

Roussel-Uclaf to sell Foster Grant

By Our Financial Staff

ROUSSEL-UCLAF, the French pharmaceuticals group which is part of the Hoechst group of West Germany, is selling Foster Grant, its US sunglasses maker.

The buyer is Andlinger and Company, an investment group. Roussel said the disposal was part of a wider strategy to maintain funds in the US in order to invest in areas more central to the group.

Roussel acquired Foster for $26.5m from its parent company, Hoechst, in 1980. Foster has a 30 per cent share of the US market in popular brands of sunglasses.

Roussel, which is 54.5 per cent owned by Hoechst and 40 per cent by the French Government, is expected to announce steady profits growth for 1985 following a strong first half performance.

SA gold price 'stable'

BY KENNETH MARSTON IN LONDON

NO FURTHER substantial rise in the South African price of gold is expected this year by the chairmen of the Anglo American Corporation's Transvaal gold mining companies.

In the annual reports, Mr E. P. Gush and Mr T. L. Pretorius point out that the recent recovery in the US gold price has been matched by a strengthening in the value of the South African rand.

"Subject to political sentiment, any further improvement in the (US) price of gold is likely to increase the strength of the rand and it is unlikely that the companies will see any marked improvement in the average rand price of gold received," they say.

They anticipate higher spot prices for uranium with an accompanying firming in the long-term contract market.

Shareholders agree Massey reorganisation

By Bernard Simon in Toronto

SHAREHOLDERS of Massey-Ferguson, the troubled Canadian farm equipment and industrial machinery maker, have overwhelmingly endorsed a sweeping reorganisation of the company aimed at reducing its debt and hiving off its loss-making combine harvester business.

A total of 94 per cent of shareholders represented at a meeting in Toronto yesterday approved the plan in principle. It includes the conversion of each A and B preferred share into 7.8042 common shares, the conversion of a substantial amount of debt to equity and a rescheduling of remaining loans over 12 years.

Mr Victor Rice, chairman, said that negotiations with the company's 140 lenders, including the governments of Canada and Ontario, and Britain's Export Credits Guarantee Department, are likely to be concluded by the end of April.

Aeritalia net profit up 69%

By James Buxton in Rome

AERITALIA, the Italian state-controlled aerospace company, last year recorded a 69 per cent increase in net profits to L28.2bn ($17.7m) on consolidated sales that were 20 per cent ahead at L1,377bn.

Aeritalia is controlled by Finmeccanica, an offshoot of the state industrial holding company IRI. It is the principal manufacturer of fixed wing aircraft in Italy and produces part of the Tornado combat aircraft, as well as parts of the Boeing 767 and the McDonnell Douglas MD-80.

Earlier this month, some 16 per cent of Aeritalia's capital was placed with the public raising L190bn.

Recovery for Agnico-Eagle

CANADA'S gold and silver-producing Agnico-Eagle Mines earned C$934,834 (US$667,738) in the fourth quarter to bring the 1985 total to C$6.5m, equal to 47 cents per share, compared with C$6.2m in 1984. At last year's half-way stage earnings amounted to only C$1.99m compared with C$4.73m in the same period of 1984.

The second-half recovery reflects the expansion programme which lifted gold production for the full year by 26 per cent to 75,597 ounces.

Mr Paul Penna, the president, says that gold output should increase further this year to an estimated 90,000 oz and could reach 100,000 oz in 1987.

Commodore cuts price of Amiga computer

BY LOUISE KEHOE IN SAN FRANCISCO

COMMODORE International, the US personal computer group, has slashed the US price of its Amiga model by 28 per cent in a bid to regain market share.

The price of the Amiga has come down by $500 to $1,295 for the months of April and May and includes a high-quality monitor. The company will back the promotional price with increased advertising.

Commodore says it hopes sales will pick up quickly now that more than 100 software programs are available for the Amiga. Lack of software had been blamed for the model's lack of acceptance.

Commodore's sales have been declining for the past six months. The company reported losses of $92m for the six months ending December 31 and was forced to renegotiate its bank loans last month.

Introduced last August, the Amiga has been widely praised for its speed and colour graphics capabilities. Commodore aimed it at business personal computer buyers but analysts say the machine fits better in the home market. The price cut is expected to make it more attractive to home users.

Commodore faces stiff competition in this market from rival Atari, the West Coast company now headed by Commodore's founder Mr Jack Tramiel.

Atari does not intend to cut its prices in response to Commodore's move, said Mr Michael Katz, executive vice-president. "Our prices are already lower than Commodore's and we are outselling them at least two to one," he said.

Separately, Commodore announced the appointment of Mr Thomas Rattigan to the added position of chief executive. Mr Rattigan, who joined Commodore from Pepsico 11 months ago, was promoted to president and chief operating officer in November. As chief executive he replaces Mr Marshall Smith, who will remain a member of the board.

INTL. COMPANIES & FINANCE

Schering plans UK equity listing

By Leslie Colitt in Berlin

SCHERING, the West German pharmaceuticals and chemicals company, plans a London stock market launch in May to match its expansion in the UK. It was one of the 100 leading UK exporters last year through its British subsidiary, FBC.

FBC, the pesticides company that Schering bought from Fisons in 1982, had sales last year of DM 730m ($312m) – not much less than Schering's turnover in West Germany of DM 850m. Total Schering sales for 1985 were just over DM 5bn, of which foreign operations made up DM 4.2bn.

Dr Klaus Pohle, spokesman of the executive board, said two factors led to the decision to seek a London listing. Some 13 per cent of Schering's shareholders are UK-based, compared with 3 per cent in the early 1970s.

Another 7 per cent of shares are administered from London for shareholders in the Middle and Far East. In addition, be noted, a London listing would allow FBC's 2,200 employees who are entitled to Schering's shares to buy and sell them on the London exchange.

Schering's shares are also listed in Switzerland.

Reynolds to dispose of frozen food unit

BY PAUL TAYLOR IN NEW YORK

R. J. REYNOLDS industries, the US tobacco and food group that last year acquired Nabisco Brands for $4.9bn, is to sell the frozen food operations of Del Monte.

The surprise move comes only a few months after R. J. Reynolds completed the merger of Del Monte, which it acquired in 1979, with Nabisco Brands to create a worldwide food and beverage business with annual sales of more than $10bn.

Its Nabisco Brands subsidiary said yesterday that the Del Monte frozen-food business had sales last year of around $200m and employed about 1,850 people. No explanation was given for the decision to sell the operations, nor was there any indication of potential bidders for the business.

The Del Monte operations, which also include canned fruit and vegetables, fresh fruit and the Canada Dry and Sunkist soft-drinks businesses, reported a 19 per cent increase in earnings last year on sales that grew by 6.2 per cent, bolstered in part by higher product prices coupled with the acquisition of Canada Dry and Sunkist.

FFr 1bn capital increase for BP France

By Paul Betts in Paris

SOCIÉTÉ FRANÇAISE des Petroles BP, British Petroleum's French affiliate, is planning a FFr 1bn ($139m) capital increase and an additional FFr 400m bond issue to reinforce its capital funds and restructure its balance sheet.

Although Petroles BP said its operations had improved the continuing impact of the cost of renewing stocks had forced it to increase its capital.

The company had negative cash flow of FFr 440m last year compared with a negative cash flow of FFr 242m the previous year. However, excluding the negative impact of FFr 760m due to the cost of renewing stocks, cash flow last year was FFr 320m in profit.

Overall, the company had an operating loss of FFr 826m, including the FFr 760m negative charge for stocks. If that was excluded, the operating figure would show a loss of FFr 66m. The year before, operating losses totalled FFr 351m.

The operating deficit last year was reduced to zero by the company drawing on its foreign-currency translation provisions.

INTL. COMPANIES & FINANCE

Chris Sherwell on the aftermath of a stock market crisis

Foreign banks draw Singapore fire

FOUR MONTHS after the crisis which shut the Singapore Stock Exchange, the island state's financial authorities feel the fragile brokerage system at the heart of the troubles is at last looking stronger and more stable.

But a hefty portion of the blame for the problem, which has led to the collapse of several companies and broking firms, is now being pinned on a particular source—a group of unnamed foreign banks which are said to have shown careless misjudgment.

This is a surprise to stock market analysts, who say responsibility should be also shared by the big-time speculators, the brokers and the regulatory authorities—as one says, "by the system itself, because it was wide open to manipulation and will remain so until there is a free availability and exchange of reliable *information.*"

According to some officials, however, about 25 foreign banks, many of them relatively recent arrivals in Singapore, acted as agents for big speculators in the stock market and, apparently to avoid lending restrictions, persuaded brokers to take on as much as S$270m (US$124.4m) in loans for the speculators' use.

The sum is just under half the S$580m lent by foreign banks to the dozen Singapore broking firms which engaged in forward share contracts. It was the expected default on such contracts which caused the three-day suspension of trading in early December.

The trading halt followed the placing in receivership of Pan-Electric Industries, the quoted Singapore marine salvage, hotel and property concern.

Although the Pan-Electric collapse contributed directly to the stockbroking crisis, the real problem was wider: brokers in Singapore, behaving just like banks, were acting increasingly as intermediaries between clients and financial institutions for loans to fund all types of share dealings.

In usual cases, brokers and their speculator-clients would negotiate share sale or repurchase contracts, and local or foreign banks would simply extend credit to the brokers. But 25 foreign banks are said to have acted as principals or agents for the speculators, and used brokers to adjust their exposure.

At the end of November, total bank loans outstanding to the Singapore broking industry amounted to S$1.06bn. Of this, S$753m had come from foreign banks, the bulk of it to the 12 firms involved in forward contracts.

According to figures collected by the Monetary Authority of Singapore, the island state's powerful financial regulatory agency, the figure for overall *bank loans outstanding to* brokers had, by the beginning of this week, been reduced by 28 per cent to S$763m—a figure which obviously includes some bad debts.

Total lending by foreign and local banks to the 12 firms dealing in forward contracts had been cut from S$771m to S$594m. The value of outstanding forward contracts is now reckoned to have been cut from S$617m last November to S$376m.

Of the 12 firms, seven are now in liquidation, receivership or under independent management. The seven are Associated Asian Securities, Lyall & Evatt, E. G. Tan & Co, Lin Securities, City Securities and K. H. Lim & Associates. Another firm, Alfa-Pacific Securities, was under stock exchange management before the crisis.

The other five firms engaged in forward deals—J. Ballas & Co, Tsang & Ong, G. K. Goh Securities, Alliance Securities and Ong & Co—have outstand*ing contracts valued at just* S$38m.

Boots to sell part of Indian unit to public

By R. C. Murthy in Bombay

BOOTS of the UK has decided to sell part of its Indian subsidiary to make it an affiliate. It plans to retain a little over 39 per cent of Boots Company (India), against the present 53 per cent, through a complex capital restructuring.

Boots will sell 300,000 shares of Rs 10 each to the Indian public at a premium of Rs 45 a share and will not subscribe to a rights issue which will lift the Indian affiliate's share capital to Rs 43.5m ($3.6m).

Foreign companies have been increasingly preferring minority shareholdings in their Indian operations, which would not then be subject to restrictions of the country's Foreign Exchange Regulation Act (Fera).

Despite the change to affiliate status, Boots will be able to retain management control over its Indian operations.

Sales of Boots (India) rose 11.46 per cent to Rs 419.1m in 1985 but its pre-tax profits did not keep pace, increasing only 9 per cent. Profits after tax, however, jumped more than 42 per cent, reflecting the beneficial impact of the corporate tax cut introduced by the Rajiv Gandhi Government last year. The company raised its dividend to 26 per cent from 20 per cent.

Holmes à Court accused of 'misleading' statements

BY LACHLAN DRUMMOND IN SYDNEY

AN AUSTRALIAN Supreme Court judge who has been hearing the action brought by Broken Hill Proprietary (BHP) against the Bell Resources takeover offer has accused Mr *Robert Holmes à Court of* "highly misleading if not deceptive" public statements.

The comments from Mr Justice Marks in the Victoria Supreme Court came as he delivered orders stating that the Bell takeover documents did not comply with the takeover code and restraining Bell from despatching offer documents under the bid which Bell has already said it has withdrawn.

Justice Marks ordered Bell to pay the costs of all parties, including those of the National Companies and Securities Commission which had registered the documents deemed not to comply with takeover law.

Although no formal judgment on the issues was reached—because of the termination of the action brought about by Bell's decision not to proceed with its bid—Justice Marks chastised Bell for its failure to reveal details of its bid financing arrangement during the three weeks of hearings.

He said the court was driven to the inescapable conclusion that the Bell interests "have always been and still are bent on keeping the loan facility arrangement secret."

"That secrecy in the circumstances of the takeover scheme is impossible in my view to *excuse. This conduct has been* compounded recently by the highly misleading if not deceptive public statement of the chairman, one Holmes à Court, to the effect that the present offers have been withdrawn merely because of the length of the court hearing."

The judge noted that most of BHP's case was presented on affidavit and that much of the case time had been taken up by cross-examination by Bell's counsel.

"The resistance in these proceedings to the disclosure is significant enough, but the secrecy is particularly ominous against the backdrop of statements of Mr Holmes à Court."

With the matter back in the public domain Mr Brian Loton, BHP managing director, challenged Mr Holmes à Court to give his reasons for the timing of the withdrawal of the bid.

Mr Holmes à Court intends to take up the challenge on television next week. Last night he reaffirmed that Bell would pursue its objective of gaining control of BHP.

Mayne Nickless buys 15% stake in APM

By Our Sydney Correspondent

MAYNE NICKLESS, the Australian transport group, has moved to secure APM, its controlling shareholder, from possible takeover by taking a A$160m (US$115.6m) 15 per cent stake in the paper and packaging group.

APM owns about 45 per cent of Mayne directly, and a further 11 per cent through a company jointly owned by APM and Mayne. Along with the 15 per cent stake of the AMP Society, Australia's biggest life office, and other friendly shareholdings, APM should now be well defended from takeover with the additional indirect stake it holds in itself.

About half of the shares bought by Mayne came from James Hardie, the building products group, which received shares on Monday as part payment for half of a previously jointly owned packaging company.

Printemps to open first US store

By Paul Betts in Paris

PRINTEMPS, the large French department store, will open its first store in the US next year at Denver, Colorado. The store will be the first of its kind by a French group in the US market.

The project involves a collaboration with Denver-based investors including Mr Robert Anderson, the former chairman of Atlantic Richfield, the large US oil group.

Printemps' partners in Denver are a real estate and retailing group called Realities run by Mr Allan Reiver and partly owned by Mr Anderson.

The venture marks the latest step in Printemps' efforts to develop its international business, after starting in the Far East. Printemps has just reported group earnings of FFr 115m ($16m) for 1985 compared with FFr 93m the year before.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE MARCH 21 1986

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	9.479	−0.629	12.150	9.479
Australian Dollar	13.446	−2.784	14.630	12.600
Canadian Dollar	11.155	−0.571	12.970	11.074
Euroguilder	6.090	−1.008	7.460	6.084
Euro Currency Unit	8.946	−1.833	9.990	8.945
Yen	6.646	−0.105	7.330	6.638
Sterling	10.257	−2.109	11.932	10.240
Deutschemark	6.603	−0.045	7.660	6.582

Bank J. Vontobel & Co Ltd, Zurich - Telex: 812744 JVZ CH

World Bank sees vicious circle of lending to developing countries

BY ALEXANDER NICOLL

DEBT SERVICE payments by developing countries exceeded new borrowings by an estimated $22bn in 1985, according to figures published today by the World Bank.

The surplus of principal and interest payments over new long-term loan disbursements, up sharply from $13.7bn in 1984, underlines the bleak picture of 1985 painted by the bank in an essay accompanying its annual World Debt Tables.

It sees a vicious circle in which debtors cannot obtain sufficient lending to generate the economic growth needed to service debts and restore their creditworthiness. "There is an urgent need to set in motion a virtuous circle of growth and improving creditworthiness."

The US Baker Plan proposals, the bank says, establish a framework which recognises this.

Recognition of the need for faster growth "stemmed from the difficulties and disappointments of 1985." Falling commodity prices and a slowdown in world trade halted growth in developing countries' exports. Lack of new financing meant that imports and thus economic growth were hindered.

The bank projects that developing countries' current account deficit will fall slightly to $37bn in 1986 after rising to $38.3bn in 1985. The increase from $35.9bn in 1984 followed three years of substantial declines from the 1981 peak of $105.5bn.

"Countries pursuing fundamentally sound adjustment policies need enough external financing to give those policies time to work," the bank argues.

In 1985, increased flows of financing from official sources, "did not offset the continuing contraction of private lending, as commercial banks still tried to reduce their exposure to developing countries. . . . As the prospects for many debtor countries worsened, banks, in effect, passed along the message that they had done all they would."

The banks' reluctance to lend meant that total debt of developing countries continued to grow slowly in 1985, at 4.6 per cent against 4.2 per cent in 1984. The World Bank projected that the 1986 growth rate would be not much higher, at 6.3 per cent. By the end of the year, developing country debt is expected to be $1,010bn, of which long-term debt will account for $815bn.

Long-term debt has been growing faster than the overall rate because of reschedulings of short-term debt. A record $87bn of debt was rescheduled in 1985 by private creditors, and $6bn by official lenders.

The trend away from new bank lending has been influenced by the growth of securities markets. Since top-quality borrowers are increasingly going to investors rather than banks, banks may be all the less willing, for reasons of overall portfolio quality, to lend to higher risk borrowers

Some banks, the report notes, have abandoned syndicated lending by selling off their loans in the secondary market, while others have simply decided not to add to their existing assets. Such moves have made it more difficult to include new loans in rescheduling agreements.

"Until banks revise their view of the risk in lending to developing countries," the bank warns, "the problems of small-bank withdrawal and large-bank reluctance are likely to persist."

Their confidence will not be helped by continuing deterioration in key indicators of creditworthiness such as debt to gross national product ratios, partly because better data on short-term debt and payments arrears have inflated debt totals.

The World Bank's gloomy conclusion is that "against this background, the recent weakness of private lending to the developing countries cannot be seen as an aberration, likely to correct itself in the near term."

Developing countries pursuing sound adjustment policies should not only have greater access to international financial markets, it says, but should also obtain types of funding better matched to development finance, including longer maturities, more certain borrowing costs, and more stability in their access.

The bank singled out sub-Saharan African as needing special treatment, saying the debt of the poorest countries "must be radically restructured and its concessionality greatly increased, which calls for imaginative and generous actions by creditor governments and others."

EXTERNAL LIABILITIES OF DEVELOPING COUNTRIES ($bn)

	1982	1983	1984	1985	1986
Long-term	593	674	717	764	815
Official sources	214	235	255	274	299
Private sources	379	439	463	490	516
Short-term: one-year/less	195	165	156	148	195
Use of IMF credit	21	31	34	38	
Total	809	871	908	950	1,010
Growth in liabilities*	11.0	7.7	4.2	4.6	6.3

* Per cent.

Figures for 1984 preliminary, 1985 estimates and 1986 projected

Source: World Bank

LONG-TERM DEBT AND FINANCIAL FLOWS ($bn)

	1981	1982	1983	1984	1985
Debt disbursed and outstanding	490	547	622	665	708
Disbursements	121	112	92	86	80
From private creditors	90	81	62	54	45
Debt service	87	96	89	100	102
Principal repayments	46	48	43	46	50
Interest	41	48	46	54	52
Net transfers	34	16	4	− 14	− 22

Flows data are for 107 developing countries reporting under the World Bank's debtor reporting system. Liabilities figures are totals of DRS figures and data compiled by the bank for other developing countries, excluding high-income oil exporters.

Disbelief over size of D-Mark calendar

By Our Euromarkets Staff

THE BUNDESBANK yesterday announced a record DM 9.09bn calendar of new D-Mark Eurobonds scheduled for April. This was described by German bankers as "unbelievably large" and contrasted with the March schedule of DM 3.9bn, of which only DM 3.06bn has been issued.

The April calendar comprises 36 fixed rate issues totalling DM 8.22bn and three zero coupon issues for DM 870m. No floating rate notes or equity-related issues are planned. The highest monthly total so far since the German markets were liberalised last May was DM 7.5bn in October.

Bankers said that it was highly unlikely that actual new issue volume would reach the projected total. They thought at least two-thirds of the projected issues were swap-related, and therefore might not materialise.

Many traders expect a further cut in German interest rates. The emergence of some of April's issues may depend on this.

Some bankers felt the size of the calendar indicated an irresponsible attitude among the competing banks. Traders said, however, that, provided the scheduled 39 issues were for good quality borrowers, the market should be able to absorb them given a healthy market.

The DM Eurobond sector has strengthened markedly recently on the back of a strong D-Mark exchange rate and following the discount rate cut at the beginning of the month. While prices have eased over the last few days, traders ascribe this to the Easter holiday period, rather than to fundamentals.

Prices fell slightly on the announcement of the calendar yesterday morning.

First international funding for retailer John Lewis

BY CLARE PEARSON

JOHN LEWIS, the British retailer, yesterday launched a £50m 20-year Eurosterling bond. County Bank led what was the fourth such bond in the past week.

The issue carries a negative pledge, but no restrictive covenants. This is the first international financing of any kind undertaken by John Lewis, although it has several domestic debentures outstanding. The last of these was arranged in 1971.

Mr John Sadler, deputy chairman, said that the company had been considering issuing a secured domestic long-dated stock recently, and believed that such an issue could have been arranged with a cost-saving compared with a Eurosterling bond of about ¼ per cent. The avoidance of restrictive covenants had swayed the company in favour of a Eurosterling issue, however.

British interest

The issue bears a coupon of 10¼ per cent and a price of 100¼. Taking in fees of 2 per cent, this gave a yield at issue of 103 basis points over the 13½ per cent Treasury Stock 2004-2008.

Traders reported that the now-established long end of the Eurosterling market continued to attract demand, and John Lewis's bond was bid at less ½ per cent. Almost all investor interest, so far, has come from British institutions.

Although the Eurosterling market recovered most of Tuesday's price falls prompted by the weakening currency, turnover in conventionally-dated issues was low.

Nevertheless, S. G. Warburg took advantage of the differential in price losses of gilts and those of Eurobonds to launch an interest swap-driven five-year deal for Banque Nationale de Paris, yielding at issue, with fees of 1⅞ per cent, 12 basis points over comparable gilts.

The bond pays a coupon of 9¼ per cent and is priced at 100⅜. Dealers said the terms were tight and it was bid at levels around total fees.

Union Bank of Switzerland brought a $250m 7⅞ per cent seven-year issue for the Kingdom of Denmark priced at 100⅜. Fees were 1⅞ per cent, and taking these into acocunt the bond yielded at issue, 46 basis points over the seven-year Treasury note auctioned in New York yesterday afternoon.

The lead manager was still in the process of syndication yesterday afternoon in a Eurodoller market already winding down for the Easter holiday. Tuesday's issue for Belgium was reportedly bid at less 2.

Bankers Trust International launched the first full-coupon Australian dollar issue for five weeks, for the Government Insurance Office of New South Wales. The four-year bond pays interest at 13 per cent and this is the lowest coupon in this market since the beginnig of the year.

The issue price was 100⅜, and the bond provided at issue a yield inclusive of fees of 1⅞ per cent equivalent to those of relevant Australian domestic bonds.

The lead manager said that the bond was moving slowly. It was quoted at less 1⅞ bid.

Norges Kommunalbank, Norway's municipal finance agency, launched a Y34.86bn bond with a 13-year life. The borr has mandatory redemption from 1990, retiring Y3.48bn each year thereafter, giving an average life of 8.5 years. This feature was included to fit in with the borrower's repayment schedules. The bonds are callable b ythe borrower in 1992 at 100¼, and thereafter at declining premiums.

Norges Kommunalbank is rated triple A by Moody's Investors Service, and is the first public-sector borrower to tap this market for some time. Daiwa Europe is lead-manager.

Two dual-currency samurai bonds were announced. A Y27bn issue for the Federal National Mortgage Association was believed to be the first dual-currency Samurai bond for a US borrower. The other was a Y20bn deal for the Bank of China.

Quebec Urban Community launched a C$20m issue. The bond matures in 1996 and carries a coupon 9¾ per cent. It was priced at par with fees of 2 per cent. Lead-manager Banque Internationale a Luxembourg reported a bid price at the level of the total fees.

Trading in the Swiss franc market was thin. One new isue, for Union Oil of California, traded for the first time. The 10-year 5¼ per cent issue was bid at 98¼.

General Electric Credit launched a foreign interest payment security: a perpetual bond on which interest is paid in dollars for the first 10 years. This was the second such issue in the Swiss market, following that for Pepsico, launched at the beginning of the month, and lso lead-managed by CreditFm also lead-managed by Credit Suisse.

Large calendar

General Electric's bond pays interest at 7½ per cent and the SFr/dollar exchange rate has been fixed at 1.9625 to give payments of $184.71. Other features including borrower's call, and investors' put, options every 10 years, follow the precedent of the deal for PepsiCo.

Consolidated Goldfields Finance issued a SFr 165m bond with Union Bank of Switzerland as lead-manager. The 10-year bond carries coupons of 5¼ per cent, and provides the borrower with a swap into dollars.

A/S Nevi issued a SFr 50m floating rate note by way of a private placement. The coupon is set at 6-month London interbank middel rate (Limena). Lead-manager is Swiss Bank Corporation.

Prices in the West German market were slightly softer on the bid side following the announcement of the large new issue calendar for April. The market undertone was, however, basically unchanged.

Two failed Brazilian banks in debt repayment plan

SHAREHOLDERS of Comind and Auxiliar, two Brazilian private banks, which failed last November, have a plan to repay part of the $40m they owe foreign bank creditors, Mr Fernao Bracher of the Brazilian central bank said.

Mr Bracher said that the plan proposes the foreign banks accept equity in a new body established to administer the assets of the failed banks. The central bank will not take responsibility for the scheme.

Brazil's original refusal to honour the debts to foreign banks at one time threatened to block progress on a $16.5bn rescheduling agreement signed in March.

It had also affected negotiations to renew short-term credit lines of around $16bn maintained by foreign banks to the Brazilian banking system. Some of the loans to the failed banks were of this type.

Reuter

Banque Indosuez offer of loan stock well received

A PUBLIC offer by Banque Indoseuz to exchange investment certificates issued by its state-owned parent Cie Financiere de Suez for its own non-voting perpetual loan stock has been about 30 per cent oversubscribed, Reuter reports.

Holders of 912,330 stock units accepted the offer to dedeem up to 700,000 units of the bank's February 1984 loan stock through an exchange on a six-for-five basis. The certificates have a nominal value of FFr 150 and the stock units are FFr 1,000 nominal.

Acceptances for up to 20 units will be met in full while those for 25 or more will be met at 76.20 per cent.

Investment certificates are a form of non-voting preference share issued by state-owned companies since 1984 to raise private capital.

Egypt in dollar issue to raise hard currency

By Tony Walker in Cairo

EGYPT IS issuing dollar-denominated bonds in an effort to raise additional hard currency at a time when the country is experiencing a serious shortfall in its foreign exchange earnings.

Mr Ali Lutfi, the prime minister, announced the new bond issue in a speech that contained less detail than expected about the Government's planned austerity programme. Local observers are expressing surprise that Mr Lutfi did not outline more substantial measures to deal with Egypt's economic crisis, brought on by falling revenues, a bloated subsidy system and serious balance of payments problems.

The prime minister said new measures were being formulated to curb imports and encourage exports. The deficit on Egypt's balance of trade this financial year is expected to exceed US$7bn.

Reuter adds from Cairo: Mr Ali Negrum, the central bank governor, said he hoped to raise as much as $800m over the next year in quarterly tranches. The bonds would be sold at a margin yet to be fixed over London inter-bank offered rate.

The proposed issues would be the first denominated in dollars to be made in Egypt since 1977. They will be offered to residents and non-residents, but will have the advantage for Egyptian investors of enjoying exemption from inheritance tax.

$997m bid for 91% of NL Industries

By Our Financial Staff

NL INDUSTRIES, a large US oil services group, has received a $997m cash and securities offer from Coniston Partners, for the 91.5 per cent Coniston does not already own.

The $16 a share offer would be made through NL Acquisition which would be controlled by Gollust, Tierney and Oliver, an investment banking firm which manages Coniston.

In the first nine months of 1985 NL had a net profit of $16.3m, on sales of $1.05bn. For the whole of 1984 it suffered a loss of $133m.

NL shares closed in New York yesterday $½ higher at $14⅛.

Coniston said that if the acquisition was successful it planned to sell NL chemical operations, other assets not related to oil services and terminate NL's pension plan.

NL's oil service activities would be spun off to stockholders as a new public company with a strong balance sheet and positve cash flow.

Under the offer, NL holders could elect to receive $8 in cash and $8 in value of subordinated debentures as determined by Merrill Lynch Capital Markets. Coniston's financial adviser

Alternatively, they could receive 1.33 shares of the new holding company for each NL share.

● Osceola Energy has raised its offer for Alamito, the electrical power wholesaler based in Tuscon, Arizona, to $155 from $140 a share, topping the $140 bid made by Ventana Electric.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

Closing prices on March 26

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 10⅞ 90...	100	108½	109	+0¼	+0½	8.29
Amoco Co. 9¾ 16	200	101¼	101¾	−0¼	−0¼	9.60
Atlan. Richfield 10¼ 00	250	106⅞	107⅜	+0¼	+1½	9.32

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
A. & NZ Bk. 15⅛ 90 A$	50	106⅜	107⅜	+0⅝	+2⅜	12.76
BMW Finance 13 90 A$	50	103⅜	104⅜	+0⅜	+2⅞	11.82
Fiat Finance 14½ 89 A$	50	102⅜	103⅜	+0¼	+1⅜	13.32

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Fuji Hvy. Inds. 3 2000	8/85	676	102½	104	−0¾	3.89
Fujitsu 3 99	5/84	1320	106⅞	107⅜	+1⅞	13.76
Kumagai Gumi 3½ 2000	3/85	600	†214	215	−20½	7.79
Marui 3½ 99	7/84	1162	236	238	+10½	5.55
Minolta Cm. 2¼ 94 DM	2/86	1105	99¼	99⅞	+0¾	22.17
Mitsubishi Bank 2⅞ 99	8/85	1768	126⅝	127⅜	+3⅜	−0.33
Mitsubishi Elec. 2⅞ 00	3/85	422	111½	112⅝	+2⅞	−0.20
Mitsui Bank 2⅝ 01	4/86	101.9	109	110	+2¼	−90.20
Murata 3½ 2000	7/84	2398	124⅜	125⅜	+0⅜	16.76
Nippon Elec. 2⅞ 2000...	1/85	1295	132⅜	133⅜	+2⅜	69.49
Nippon Oil Co. 3 2000	5/85	923	142⅞	144	+0¾	−0.99
OKI Elec. Ind. 3½ 99...	10/84	805	108⅜	109⅞	+0½	3.78
Sanwa Bank 2¾ 2000...	10/85	1486	126	127	+7½	−3.06
Sekisui House 3 99......	6/84	612	213⅝	215⅝	+5⅜	2.71
Sumitomo Bk. 2¾ 2000	8/85	2142	125	126¾	+2¾	0.86
Sumitomo Cpn. 2⅞ 99	5/84	593	177⅝	179	+5⅜	3.33
Taiyo Yuden 3¾ 2000...	3/85	1078	†119	121	−5	−1.85
Tokyo S'yo El. 3½ 99...	12/84	772	101½	102¾	+1½	8.61
Toshiba Crmcs. 3 2000	4/85	1734	106½	107½	+1⅞	7.63
Nippon Oil 2⅝ 92 SFr...	3/84	1052*	†104½	105½	−1⅜	−0.39
Nip. Shinpan 2 92 SFr	3/84	801*	†188	189	+4	11.67
Asics 5 92 DM	12/83	520	111⅞	113	+0⅜	10.63
Renown 3½ 90 DM	3/86	675	117⅜	118⅞	+0¼	−3.96

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for US dollars. C.cpn=The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Publicity shy solicitors

IT IS getting on for 18 months now since the Law Society gave the green light to advertising by solicitors. At midnight on October 1 1984 local radio stations ran commercials for enterprising firms of solicitors but in the intervening period enthusiasm has waned markedly. Less than 10 per cent of the 40,000 plus practices have bothered to sell themselves to a wider public and the few that do are dubious about the effect.

Oyez Legal Studies and Services recently asked Audience Selection to question solicitors who had used advertising about its effectiveness. Fifteen of the 21 firms advertising in the press considered it worthwhile while two were dissatisfied with the results. Solicitors who had used Yellow Pages were also generally in favour of the experience, eight making positive comments, with four disillusioned. What was surprising was that few solicitors were able to measure any increased inquiries from their expenditure, which was usually around £1,000.

It seems that solicitors are not very marketing-conscious. They are not allowing advertising to build up its accumulative effect and they are reluctant to undertake the essential follow-up research. One firm of northern solicitors which did so produced more encouraging results. A £1,000 campaign in the local press involved 47 classified advertisements. As a result there were 49 pieces of new business. Advertising worked best for conveyancing work, insurance, criminal and matrimonial. It was less effective for company or probate.

Aubrey Wilson Associates, which advises on marketing in the professions, has come up with a checklist for solicitors. He advises them first to prepare a brochure which, by the very act, forces the firm to evaluate its strengths. Then to concentrate on PR, getting articles in local newspapers, talking at seminars and to parent teacher associations. Finally to consider advertising and not to ignore such cost-effective media as parish magazines.

Antony Thorncroft

Battle for Distillers

Argyll and Guinness: marketing their wares

Lisa Wood asks the two protagonists to outline their ability to date to position their products in the marketplace

James Gulliver (left) and Ernest Saunders: playing for high stakes

THE NEW owner of the Distillers Company, Britain's biggest Scotch whisky producer, should be decided by April 18 when the two bids must finally close. Claim and counter-claim about the credentials of the respective bidders, Argyll, the supermarket group, and Guinness, the brewer, have screamed out from the pages of Britain's press during the protracted battle.

"We can revive Distillers' spirits," boasts the cocky Argyll group. "Guinness and Distillers. A Stroke of Genius," proclaims the brewer with patrician arrogance. The stakes are high — control of an international drinks business with several of the world's best known drinks brands, including Johnny Walker Red and Gordon's Gin.

Unquestionably the City is impressed by the pedigrees of the two men leading the respective bids. Since 1981, when Ernest Saunders became chief executive of Guinness, earnings per share have gone up from 9.4p to 25.3p in 1985. James Gulliver, chairman of Argyll, who has built up the body of his business through the acquisition of the ailing Allied Suppliers in 1982, with its grocery business, has lifted his earnings per share since 1983 from 12.2p to 20.0p.

But there is a difference in the style of the two teams and it is one which will be pertinent to the future of DCL. Saunders and Gulliver both see substantial benefits for the business in cutting overheads — with both men exhibiting strong evidence of that skill. But DCL's unique feature is its portfolio of brands. The strategy adopted in selling them will be critical to DCL's future.

How Guinness or Argyll would actually tackle the problems of DCL are as yet academic. How they go about selling themselves and their products sheds some light on the possible reality.

When each is offered an opportunity to outline this week what they see as their marketing strengths, Guinness grasps with both hands and sets about explaining how it has gone about reviving brewing, its core business. *With a turnover of £820m in 1985, this activity accounts* for some 69 per cent of turnover. It is a proportion which is being reduced by the group's concentration on acquiring new businesses in retailing, whisky and health farms.

It assembles its new worldwide brewing team which includes the newly appointed managing director, Victor Steele, a former main board director of Beecham, the pharmaceutical and consumer group, Peter Mitchell, the worldwide brands director, Bob Taylor, sales director, and Gary Luddington, marketing director of Guinness brewing UK. All have joined Guinness within the last four years.

Argyll, asked precisely the same question — the marketing history of its business to date — chooses not to present such a vast team. Instead it *offers Alastair Grant, managing* director of the UK foods division and David Webster, finance director. Both are involved in the day-to-day demands of the takeover battle, unlike Steele and his team, and both have been key figures in the building of Argyll since 1977.

At Guinness's Park Royal Brewery in London, Steele talks of the international strategy for a business he claims gives Guinness the right to join the select ranks of international brewers — stout is sold in 150 countries with the UK accounting for about 20 per cent of sales. In explaining his management structure he details the group's weekly meetings where *international performance is re*viewed. "It is hands on in the short term," he says "and therefore there are no surprises when it comes to strategy."

Mitchell explains how he is tackling the advertising of Guinness as a "global brand" and developing new markets in difficult areas, such as Japan, where Guinness has been available for many years but has made a negligible impact. A new marketing arrangement with one of Japan's major brewers is seen as a key to growth. He is also responsible for new brands and explains the strategy in the US for Kaliber, a non-alcoholic beer, a small but growing sector of the large US beer market. Positioned at the premium-end of the market, Kaliber has cost a considerable amount to launch. "It has the capacity to be profitable within four years," says Mitchell.

Taylor talks of the training of his international sales team. Charts show that even the relationship to local trade organisations does not escape the corporate strategy. There are charts too on information gathering. "We need — and get —information flows on competitors and use them for making predictions," he says.

Broad strategy is obviously important but the key element which is critical to the credibility of Guinness is how it has tackled the UK market for stout. By 1981 sales of Guinness had fallen for ten consecutive years. Luddington explains how in 1982 his team did a complete *inventory of the brand.* "We found that 90 per cent of the total beer market was draught and 10 per cent was packaged beer. But we were contrary to the market with only 46 per cent draught. We also found we had an ageing consumer profile and a high price relative to our image.

The aim was to increase the percentage of draught sales to packaged ones and expand the draught brand. In 1983 Guinness launched the £7m "Guinless" campaign which, with its earthy pub scenarios, was more in line with the socio-economic profile of its drinkers than the earlier tasteful advertising that appealed to a class that in the main did not drink Guinness. By mid-1983 the decline in draught Guinness sales had halted. Next comes the enhancement of the image to justify the price—a pint of Guinness costs *considerably more than a pint of* beer. The Genius campaign, launched in 1985, focuses on the quality of the brew.

By December Guinness could boast that the sales value of draught Guinness matched that of 1979 and the trend was firmly upwards. Argyll is correct, however, in its allegations that total sales volume of Guinness is still below 1979 levels. For while Guinness concentrated on increasing draught to 56 per cent of production, the total returnable bottled beer market continued to decline.

"We have concentrated on the growth area in the market," says Luddington, "and swung *our production around. Now* we are going to focus our attention on Guinness Extra Stout in the non-returnable bottle. Although the market is in decline we aim to position our brand at the premium end."

Guinness declines to break down UK sales of Guinness; returns for the brewing division are worldwide and include Harp lager and brands such as Kaliber. Luddington says, however, that the trading margins for his UK activities outperform those of the division which have gone up from 8.48 per cent in 1982 to 10.5 per cent in 1985.

For Guinness, marketing is a relatively straightforward but sophisticated process of identifying particular niches for particular products and exploiting their potential to greatest effect, increasingly worldwide. Argyll, in contrast, with food retailing its major business in the UK, *talks of a somewhat more com*plex approach demanded by the multiplicity of products it sells and ownership of the retail outlets.

"James Gulliver is in retailing because when he came together with me in 1968 and Webster in 1973 we decided the service sector was the most productive area to deploy our talents and capital," says Alistair Grant. "We chose to go into retailing as a way to make capital from a low capital base."

Grant — in describing the development of the group's UK food activities which in 1968 contributed £1.4bn of total group turnover of £1.7bn—says: *"We are outstanding corporate* managers who can define an appropriate strategy for a particular business." For rather like Lord Hanson, Argyll claims that a professional management team can go into any business and set objectives which satisfy consumers and investors.

Since Argyll took over Allied Suppliers in 1982 with its ailing collection of medium-sized supermarkets, including Presto and Liptons, the pre-tax profit of the division has risen from £18.4m to £44.2m. "Back in the late 1960s Allied had some 4,000 stores but it had lost its way in the 1970s," says Grant. The inheritance was a grocery division with its roots in the North of England and Scotland and sites mainly on the High Street. Since 1982 Presto, the major store group, has increased its stores from 128 to 152 and more than doubled the square *footage.*

In spite of ambitious plans to compete against the major retailers, such as Sainsbury, in terms of market share, the Argyll style was not to upgrade the fairly downmarket image of the supermarkets. Grant, in detailing the problem, says: "You cannot turn Presto into a Sainsbury. You can, however, turn it into an effective provider of foods which, above all, makes a profit.

"In 1982 the financial controller and I produced a draft programme called Profit Enhancement. We decided we could make the business more productive and improve margins without making the business *uncompetitive. We* also determined that organic development was weak and finally there was the need for development of own label."

The concrete objective was to double the net operating margin from the then low level of 1.6 per cent to 3 per cent within a three-year period. The method was not the current route of many established food retailers — own label — but to profit improvement through improved buying, greater store efficiency and productivity. That is, tight asset management. This year Argyll reported it had reached its 3 per cent goal, a move assisted by a weight of new store openings. But the net operating margin is still well below that of other retailers such as Sainsbury and *Asda. Similarly turnover per* square foot is lower than many of its competitors.

Grant is, however, proud of the achievement and points out that one major competitor makes a net operating margin of 5 per cent with more than double the turnover per square foot. He admits however that *the development of own label* is an important component of improving margin and improving turnover per square foot. "The retailer that offers an own brand frees up more space than the retailer who has to offer the three major brands. But developing *own* label takes time.

"And we are not yet at the *stage to be truly innovative.* We are identifying areas for such development but we have not yet got a full-scale home economics department inventing recipes and prodding manufacturers. We are still two years from that."

The thrust of the current development of the food division's image is coming with the in*corporation of several different* store names — such as Templetons and Hintons — into the Presto banner. The development of this brand image, with a relatively low capital spend by store is enhancing the brand image but not incurring major individual store costs because of a cost conscious basic fixture and fittings programme. As evidence of the success of the new stores, he points to improved spending per customer and increased number of shoppers doing their major purchases at Presto rather than their secondary shopping. Grant bristles at the suggestion that Presto still enjoys a downmarket image. "We would love to have the same consumer ambitions as a marketer of DCL's Black Label whisky," he says, "but investment has to be appropriate to the existing consumer."

What Argyll has achieved, says Grant, is strong annual profit growth from sound asset management. "If you simply have a brand," he says, "it lends itself to classic consumer marketing. But in retailing it is more productive to weave marketing into corporate financial development. The retailer is enmeshed into his assets. We could not achieve a packaging change overnight in the way we approach our consumers."

On the basis of the bids as they stand the cash values are very close and, in the absence of any increase—or any other bid—the marketing arguments are key persuaders. It rests with individual and institutional shareholders to decide which of these two diverse approaches is relevant to DCL.

UK COMPANY NEWS

BAT profits fall 17% to £1.17bn

BAT Industries yesterday reported a fall of 17 per cent in full year taxable profits from £1.41bn to £1.17bn, though this drop was not as large as some analysts had expected.

And in light of 1985's positive features BAT is raising the final dividend to 7.35p (6.25p), making a total 12.1p (10.3p).

Mr Patrick Sheehy, the chairman, said that the decline owed much to the weakness of the US dollar, which sharply reduced profits when translated into sterling at year-end rates. Operating profits were 12 per cent lower at £1.29bn, and attributable earnings were 14 per cent down at £674m.

"The year in fact saw growth and good performance in most of the group's businesses. Tobacco and paper had a particularly strong year, as did life and pensions business and UK retailing. There were, however, unsatisfactory performances in some parts of US retailing and unexpectedly high claims experience in UK general insurance," he said.

Nevertheless total operating profit in local currency terms showed a further 1 per cent improvement and would have reached £1.49bn had exchange rates remained constant during 1985. After a higher net interest charge, pre-tax profits would have shown a decrease of 3 per cent to £1.36bn.

Additionally, Mr Sheehy said that all comparisons were affected by further changes in group structure. Allied Dunbar was acquired. Soporcel became an associate, and Mardon Packaging was sold.

Total turnover from commercial activities was £12.7bn (£14.43bn). Realned profits were £355m (£629m) after all charges including extraordinary debits of £34m (credits £64m).

Tobacco experienced a buoyant year. Group cigarette volume rose by 4 per cent, with improved market share in Brazil and the US, higher exports from Britain and Germany, and stronger leaf exports from Brazil. In local currencies group trading profit from tobacco increased by 8 per cent, which in sterling translated into a 7 per cent decline to £647m.

Paper also had a strong year, with higher sales of carbonless copying paper from both Wiggins Teape and Appleton.

Retailing had a mixed year, and profits fell from £221m to £136m.

Financial services now include Allied Dunbar as well as Eagle Star, and both achieved substantial growth in life and pensions income. Eagle Star's underwriting loss was £173.7m (£126.4m) and taxable profits were £116.4m (£153.1m).

See Lex

North America lifts Babcock to £35m

THE GREATLY improved performances of Babcock International's North American companies was the reason for a near £3m rise in taxable profits to £34.55m in the 1985 year.

Activities there, with a return of £21.9m, were £6.55m up on last year, and compensated for losses in the group's mining equipment operations and adverse exchange affects. The result was further boosted by a once and for all exclusion from pension fund charges, which totalled £6m.

Turnover came to £1.1bn against £1.13bn — the comparatives have been restated to take account of movements in the main currencies which affected the figures, namely the US dollar and the South African rand. Trading profit of £33.62m (£31.49m) is stated after a £4.8m (£5.7m) charge for redundancy and reorganisation costs.

With earnings per share up from 16.2p to 19.7p, the total dividend is raised from 8p to 8.4p with a 4.4p final (4.3p). There is to be a one-for-ten scrip issue.

Lord King, the chairman of this engineer and contractor, says that the main thrust of development in 1986 will continue to be in advanced technology systems, especially in handling equipment. North America again holds the best prospects for the group, he adds.

Cash generation in 1985 was insufficient to cover capital expenditure and new investments, with a resulting negative cash flow of £44.8m.

● comment

Babcock bulls were again disappointed yesterday and the share price fell 17p to 196p. At least 1985's figures show signs that the job of replacing the profits and cash generation of the UK power group is being tackled. North American profits were substantially ahead, even in sterling, and the group has high hopes for the FATA European business' big orders for its AGVs. But there are still problems. Losses keep popping up in unexpected places, such as FATA, where a bad debt helped turn in a loss. Demand on the mining equipment side proved slow to pick up after the miners' strike and more spending is needed there. This year will not have the benefit of a pension holiday, power group profits will be down again, tax losses are running out, and finances are not in great shape, but acquisitions should chip in more. The hope is for pre-tax profits of £40m in 1986, but the market could be disappointed again. The yield and bid hopes give the shares some support.

'Guinness dilution 14%'—Argyll

BY DAVID GOODHART

Argyll yesterday began its attack on the alleged diultion in the Guinness share price if its bid for Distillers is successful.

Samuel Montagu, Argyll's merchant bank, estimated that dilution would be about 14.4 per cent assuming a final increase in the Guinness bid.

It said it is assuming that Guinness will have to increase its offer to 1.8m Guinness ordinary shares and 172p cash for each Distillers share giving a cash alternative worth 667p per Distillers share compared with the Argyll cash alternative of 660p.

Mr David Webster, the Argyll finance director, said: "There have been persistent rumours of a higher offer from Guinness and our calculations show that both the present and a higher offer would produce dilution unless the brokers' profit estimates for the year to September of £130m are far too high."

Guinness had no immediate comment to make but it is due to make a clarificatory comment on its earlier statement that there would be no dilution in 1986 in the event of a successful Distillers bid. A Guinness EGM yesterday approved the acquisition of Distillers.

Grievson Grant, one of the brokers which has most consistently supported the Guinness Distillers deal, yesterday aded its own figures to the dilution debate. It admitted that there would be some dilution, but far less than the Argyll calculation.

Guinness's earnings per share on its own for 1986 are estimated at 26.2p compared with 23.5p if combined with Distillers. For 1987 the figures are 21.2p and 30.5p.

Standard Chartered has 80% of Mocatta

Standard Chartered, the London-based bank, has raised its stake in the Mocatta group of companies to 80 per cent in a cash deal worth $118m (£80m).

The main companies involved in the deal, which cements a relationship between Standard Chartered and the Mocatta interests dating back to 1973, include Mocatta & Goldsmid, the oldest member of the London bullion market with origins dating back over 300 years.

The other companies involved are Mocatta Metals Corporation, a leading company in the US bullion market, and Mocatta Hong Kong.

Standard Chartered currently owns a 55 per cent interest in Mocatta Holding Company, 30 per cent in Mocatta Metals Corporation and 50 per cent in Mocatta Overseas (the holding company for Mocatta Hong Kong).

The shareholdings in these companies are to be increased to 80 per cent. Those selling shares to Standard Chartered include Dr Henry G Jarecki, who is a director of some of the Mocatta companies, and certain of his family trusts. Dr Jarecki will continue to be group chief executive of the Mocatta companies.

In a letter to shareholders sent yesterday the combined results of the Mocatta companies for the year to November 30, 1985, showed a profit after taxation of $33.6m and an extraordinary provision of $6.6m relating to the tin crisis.

Newman Tonks

In response to a Take-Over Panel request McKechnie Brothers has qualified its recent statement that Newman Tonks, the fellow Midlands based manufacturer which it has bid £65m for, increased its US turnover by only three per cent last year. McKechnie said that it has been informed that in dollar terms North American turnover was 6.198m dollars in 1984 and 7.538m in 1985. Its three per cent calculation was based on turnover in sterling terms.

Thermalite agrees to Tarmac's £44m offer

BY LIONEL BARBER

THE much-acclaimed independent management team at Thermalite, the concrete block maker, has agreed to a £44m bid from Tarmac, the housebuilding and civil engineering group.

Mr Peter Aldridge, chief executive of Thermalite, led a successful £12.5m management buy-out from John Laing, the construction group, almost three years ago. A stock market flotation for Thermalite was to take place in the next couple of months, Mr Aldridge said yesterday.

"Circumstances change, and we think Tarmac is a first-class company where we will be able to realise some very ambitious plans," said Mr Aldridge.

Tarmac is offering £20m in cash and 5m new ordinary shares for Thermalite. Based on last night's closing price of 480p, for Tarmac, the share element of the deal is worth £24m, making a total of £44m.

Thermalite, advised by Lloyds Merchant Bank, is the largest manufacturer of aerated concrete blocks in the UK, and employs around 850 people in seven factories. For the year ending last December, it made pre-tax profits of £5.03m (trading profits £6.07m) on turnover of £46.5m. Net assets stood at £9.4m.

Mr Aldridge and his management team were offered a big financial incentive in the 1983 management buy-out, put together by Lloyds Bank International, stockbrokers Wood Mackenzie and 13 institutions, including Ivory and Sime, Samuel Montagu and Kleinwort Benson. If they achieve their backers' target over the first 2½ years, their initial 15 per cent holding would rise to 33 per cent. If not, it would fall to 10

Last year, the miners' strike affected results, primarily through the lack of available high-quality pulverised fuel ash, Thermalite's basic raw material. So, despite good profits growth from £1m before the buy-out, the management's stake is likely to rise only marginally above 15 per cent.

Mr Aldridge who, along with four other founder-managers, put up £500,000, said that he and his colleagues stood to gain several million pounds under the deal.

Tarmac, advised by Robert Fleming, intends to put Thermalite into its growing quarry products business which in 1984 made £67m operating profit on £490m sales. Over the past three years, Tarmac has made several acquisitions in block making, including Hemelite (£10m), Francis Parker (£16m), now consolidated into Tarmac Topblock.

The institutions are believed to have profited handsomely from their stake in the buy-out. One fund manager said that he had made more than five times his original investment, suggesting that John Laing had undervalued Thermalite when it agreed to the buy-out.

Woolworth rises 43% to £81m

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

WOOLWORTH HOLDINGS yesterday unveiled sharply increased full-year pre-tax profits on only a marginally higher turnover at the same time as revealing a new marketing strategy for its main High Street stores.

Group pre-tax profits, before exceptional items, for the year February 1, 1986, rose by 43 per cent from £56.8m to £81.3m on turnover of £1.76bn, compared with £1.65bn in the previous year. Retailer profits were £18.2m (£73.3m) after an extraordinary debit of £29.1m (credit £2.1m). There was an exceptional credit in 1984-85 of £49m.

The profits increase owed much to an improved trading performance by the F. W. Woolworth chain of variety stores which produced trading profits of £17.6m compared with a loss of £5.1m in the previous year. This was on turnover down from £1.11bn to£1.05bn.

B & Q, the company's do-it-yourself retail subsidiary, produced trading profits up from £28.6m to £43.2m but the Comet electrical chain reported lower profits of £13.7m against £14.9m.

Mr John Beckett, the group's chairman, who is to resign at the end of the month, said last night that results "reflected the fact that the chain stores were now beginning to operate profitably."

Even so, the market thrust of the chain stores is now being re-directed away from foods and adult clothing towards more leisure-orinetated goods.

The six key areas Woolworth's will now concentrate on are children's wear and toys; stationery and confectionery; records, cassettes and video tapes; simple DIY products and horticultural; table and kitchenwear; and personal care products and accessories.

Woolworth's also plans to concentrate on its 200 largest stores which will offer a full range of goods, with the remaining 600 stores offering convenience rather than the total range.

Hanson has 28% of Imps

Hanson Trust yesterday said that it spoke for 28 per cent of Imperial, the tobacco and drinks group which favours a rival £2.4bn bid from United Biscuits.

Hanson said that it had received acceptances in respect of 18.02 per cent of Imperial, 81 per cent of which had been for Hanson's share and convertible loan stock offer. In addition, Hanson has purchased, through an associate, a total of 9.9 per cent.

Hanson is understood to have bought shares in the market yesterday, lifting its stake to almost 29 per cent.

Leisure wins case of defunct dolphinarium

The Court of Appeal has ruled in favour of Leisure Investments in the case of the defunct dolphinarium. Leisure, as landlord, objected to Pleasurama's reinstatement of a building in Oxford Street, London, after Pleasurama's aquatic venture failed. A rental valuation is to b eagreed and Leisure intends to redevelop the site.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
American Trust	1.95	—	1.85	3.1	2.9
Associated Book	3.5	—	3.13*	5.6	5*
Aurora	0.65	May 16	—	0.95	—
Babcock	4.4	May 27	4.3	8.4	8
BAT Industries	7.35	June 9	6.25	12.1	10.3
BICC	7.5	May 14	7.04	11	10.54
Bridon	3.5	May 22	2.8	5	4
Britannic Assurance	20.3	—	17	29.8	25.5
Brown Boveri	2	July 1	1.5	3	2.5
Forward Tech.	0.5	May 30	nil	0.5	nil
Gibbs & Dandy	1.8	May 16	1.58	1.8	1.58
Horizon	3.52†	—	3.52	4.4	4.4
Lowe Howard	4†	June 2	2.6	6	2.6
Lucas int.	2.6†	June 11	2.6	—	11
Bernard Matthews	7.25	—	4	11	6.5
Metal Closures	4.5	—	4.5	6.7	6.7
Really Useful Group int.	3.75	May 18	—	—	—
Rotork	3†	May 26	2.4	5.4	4.5
Stag Furniture	3.75	May 22	1	5.5	2.75
Steel Burrill	5‡	May 23	3*	7*	3.75*
Supra	1.4	May 9	1.14*	2.2	1.86*
Trade Indemnity	5.5	—	4.69	9.75	8.44
Trincentrol	1	—	6	5	10
Tyzack int.	1	Apr. 26	0.8*	—	3.2*
VG Instruments	1.8	—	1.2	2.5	1.8
Woolworth	7	—	6*	10	7.75*
H. Young int.	1.2	—	1.05	—	3.15‖

Dividends shown in pence per share except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ‖ For 14 months.

Public Works Loan Board rates

Effective March 26

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	10½	—	—	11
Over 1 up to 2	10¼	10¼	9⅞	11½	11½	10⅜
Over 2 up to 3	9⅞	9⅞	9⅝	10⅞	10⅝	10⅛
Over 3 up to 4	9¾	9¾	9½	10¾	10¾	10¼
Over 4 up to 5	9⅝	9⅝	9½	10⅝	10⅝	10¼
Over 5 up to 6	9⅝	9⅝	9½	10⅜	10½	10
Over 6 up to 7	9⅝	9½	9⅜	10¼	10	9⅞
Over 7 up to 8	9½	9½	9⅜	10	10	9⅞
Over 8 up to 9	9½	9½	9⅜	10	10	9⅞
Over 9 up to 10	9½	9½	9½	10	10	9¾
Over 10 up to 15	9⅝	9⅝	9½	9⅞	9¾	9¾
Over 15 up to 25	9½	9½	9½	9¾	9¾	9¾
Over 25	9¼	9½	9½	9¾	9⅝	9⅝

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Lucas at £38m with UK operations back in profit

THE STRONG improving trend in Lucas Industries' performance highlighted at the group's annual meeting, is continuing as expected.

For the opening half-year, turnover pushed ahead by £34.6m to £791.6m and at the pre-tax level profits surged from £15.3m to £38m. The six months saw the UK companies move back into the black with a swing of £15m.

Profits were struck after charging reorganisation and redundancy costs of £1.3m down from last time's £5.5m. Some £10m of the improvement related to the temporary cessation of pension fund contributions.

Below the line, Lucas has set aside £34.2m (£3.9m) to cover extraordinary losses arising from the closure of subsidiaries businesses — the group has interests in the aerospace, automotive and industrial systems and components industries.

Looking ahead, chairman Sir Godfrey Messervy says the reduction of losses in UK automotive activities (they fell by almost £10m in the half year) will continue and further improvements in the profitability of the overseas automotive companies are expected.

He adds that despite a downturn in the North American electronics sector, Lucas Industrial Systems is expected to make further progress while the prospects for Lucas Aerospace in its international markets remain excellent.

Sir Godfrey sums up: "We therefore anticipate that the improving trend will continue in the second half of the year."

Meanwhile, the interim dividend is 2.6p net on the capital enlarged by last November's £89m rights issue. Earnings were 26.9p (7.6p) per £1 share.

Tax for the half year (to January 31, 1986) rose to £7.1m (£6.7m) and minorities to £2.4m (£1.1m). Attributable profits emerged at £28.5m, compared with £7.5m, before taking account of extraordinary items.

Direct exports from the UK increased by 3 per cent to £150m. Sales by the UK companies were also 3 per cent ahead at £475m and the prfit here before tax of £10.8m compares with a previous loss of £4.4m.

Overseas companies' sales rose by 8 per cent to £317m and their profit contribution rose by 38 per cent to £27.2m.

The group's aerospace division raised its sales by £7.1m to £131m and its profits by £5.7m to £15m—the UK side increased its profits by £5m to £14.4m.

Automotive equipment sales rose marginally to £586m, but profits expanded by £16.5m to £19.1m. UK sales were unchanged at £306m but losses were cut from £15.2m to £5.8m.

See Lex

Tricentrol halves dividend to 5p

BY DOMINIC LAWSON

Tricentrol, one of the most financially hard pressed of the troubled band of UK oil exploration companies, yesterday cut its final dividend to a nominal 1p, in stark contrast to rival LASMO which the previous day had maintained its distribution to shareholders.

As a result, Tricentrol's share price fell 11p to a new low of 72p. Mr Jim Joseph, oil analyst at stockbrokers James Capel, said yesterday: "Even at this level, without any prospects of a takeover, there seems little support for the share price."

The Tricentrol board was apparently dividend at first over the decision to cut the annual dividend to 5p net, half last year's level. This resulted in the announcement arriving several hours later than the City had expected—the board meeting was spread over two days.

Tricentrol's 1985 results showed net profits at £24.7m compared to last year's figure of £200,000. That lower figure was after an extraordinary debit of £30m, on the write down of assets.

It was also clear from yesterday's announcement that Tricentrol's varous operating arms had found it very difficult to raise bank borrowings to fund developments.

The chairman, Mr James Longcroft, said yesterday that Tricentrol was now relying instead on its existing central banking facilities.

He added that the dividend was being cut because of "uncertainty surrounding not only the current oil price, but also the length of time the market will remain in its present state."

● comment

That Tricentrol is in a cash bind is indicated by the decision to slash the final dividend. No doubt it was the failure to get an acceptable offer, with most of the cash up front, for the group's stake in the Amethyst field that finally forced the company into this move. Having spent £51m last year on exploration, appraisal and development, Tricentrol has been putting on debt when it should have been slimming down. Net debt now stands at £139m, up £24m, or 85 per cent of shareholders' funds. It is not yet clear whether Tricentrol has faced up to the harsh realities of a strategy for survival — certainly the hopeful valuations being placed on assets, given that it is a buyers' market, would suggest that worse rather than better news is to come. Yet disposals appear to be the only answer if the break-even point is $18 a barrel and that now looks a highly optimistic target. All the oil independents are now having to rely on their balance sheets for survival, the tax man for dividend payments and heavily reduced cash flows to pay interest bills. Tricentrol, whose shares fell 11p to 72p on the dividend news, is not the best placed.

Lee Int's £85m flotation value

Lee International, which claims to be the biggest supplier of lighting equipment to film and television in the world, is being floated on the Stock Exchange with a value of £85m.

As well as renting equipment in the UK, Europe and the US, Lee is a lighting manufacturer, as well as being the largest operator of film studios in the UK.

Lee was founded 25 years ago by brothers Mr John and Mr Benny Lee.

The details are published today of a public offer by Samuel Montagu of 16.6m shares at 180p. The issue will raise £16.7m net of new money for the company

In 1985 Lee made pre-tax profits of £4.5m on sales of £23.4m, and is forecasting profits of £6.5m for 1986.

● comment

The Lee brothers have got themselves an enviable position in a fragmented industry. The renting of lighting equipment is a fairly low-tech business, which nevertheless has been growing steadily over the last two decades. And Lee, by dint of experience and with the flexibility of its kingly size, has been the main beneficiary. The company is now about as big as it can get in the UK, and is intent on expanding overseas. The first thrust into Hollywood—which one day should be Lee's largest market—was made last year, while there are plans to build further on the newly acquired manufacturing base. With no quoted counterpart, valuing Lee cannot have been easy, and although Samuel Montagu has priced the issue narrowly, it is taking few risks in counting on many interested buyers.

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BICC's performance obscured by sterling's advance

ALTHOUGH 1985 profits of BICC are shown to have risen by 5.7 per cent to £92m pre-tax, group chairman, Sir William Barlow, says the full extent of the improvement was obscured by sterling's appreciation against other currencies.

He points out that but for the pound's advance, profits for the 12 months would have shown an increase of about 20 per cent.

The directors have decided to change the basis of accounting and in future profits will be converted into sterling at average rather than closing rates of exchange.

They say this will moderate the impact from movements and more fairly reflect the underlying performance in sterling terms.

Turnover for 1985 rose to £2.11bn (£2.03bn). Earnings amounted to 20.3p (18.5p) and a final dividend of 7.5p makes a net total of 11p (10.54p).

● comment

BICC's dividend increase of 4 per cent is some way below the going rate. Yet it is the first ris of any kind since 1982; coming from a group which still boasts a £60m backlog of ACT, the gesture counts for someting. The combination of tighter controls and a careful programme of disposals has meant that, for the first time in five years, BICC has even generated a modest quantity of cash. As a reaction from the rather woolly plunge into technological acquisitions, BICC has sold its investment in computer power supplies, Boschert, surprisingly escaping without damage to book net worth. This year's reduced capital expenditure plans suggest further improvement in a balance sheet that has been somewhat deflated by currency movements, which even on average rates struck £12m from 1985's underlying growth in profits. BICC now seems more convinced that its heavy electrical business — bluntly, cables — has a profitable future, on a diminished base with more energetic management. The 4½ per cent yield, at yesterday's 335p (up 5p) recognises that normal growth of dividends may have to come by easy stages.

Britannic shows 20% rise

Britannic Assurance reported a 20 per cent rise in its net profit in 1985 from £5.47m to £6.58m, following continued growth in profits from its life and pension operations and a reduced loss on its general insurance operations.

Dividends for 1985 are improved by nearly 17 per cent from 25.5p to 29.8p.

The profit transfer from the industrial branch was lifted by 14 per cent from £3.54m to £4.02m, while the transfer from the ordinary branch rose by 16 per cent from £1.9m to £2.2m. The unit-linked operations provides a profit for the first time of £50,000.

The loss on general insurance operations was reduced from £603,000 to £384,000, reflecting an improvement in the domestic property account—its main general insurance business.

Britannic has shown the expected pattern of business for home service insurance companies.

The share price reacted to the results by rising 9p to 904p yielding 4.7 per cent.

Bernard Matthews £13m and encouraged by outlook

WITH a further strong advance in the second six months **Bernard Matthews**, the Norfolk-based turkey, beef and lamb foods group, was able to lift its 1985 pre-tax profits by £7.82m to a record £12.9m.

Along with a 4.5p increase in their total dividend to 11p net shareholders are also to receive a scrip issue on a three-for-one basis. The final dividend is 7.25p (4p).

Prospects for 1986 are described by chairman Mr Bernard Matthews as encouraging. He reveals that turnover and profits currently are at record levels.

Turnover for the past year improved from £97.58m to £119.84m and operating profits came through at £13.96m, compared with £6.85m. Interest charges were reduced by £705,000 to £1.06m.

Tax took £5.06m, against £1.02m, to leave net profits £3.78m ahead at £7.84m. Earnings emerged at 49.18p, up from 25.39p.

It is pointed out that the group's strong cash flow is reflected in a reduction of net borrowings from £8.7m to £2.77m (7 per cent of shareholders' funds).

Mr Matthews says the major increase in turnover and profits in 1985 was again achieved from growth within the meat products division. Supplies of lamb roasts became more readily available during second half, but the group's planned national advertising launch was deferred until this year in order to build adequate stocks.

The whole bird division operated profitably throughout the year and benefited from firmer prices.

By mid-June 1985 profits were showing a rise of £5.26m at £6.28m.

● comment

Bernard Matthews has become a highly successful brand name. From a one product company the group has been transformed into a meat-based food processor with a rapidly expanding range. The new lamb cutting plant will be supplying branded versions of lamb chops etc. Maryland "TV dinners" is an entry into a new market. The two way deal to encourage French chickens into the country is an odd "U" turn for Mr Matthews who led the home guard in repelling French turkeys not so many years ago—no doubt profits will benefit. The key to future growth, however, is the New Zealand lamb roast although short term the slaughterhouse strike could be dangerous to the launch if it continues for many more weeks. If everything goes right profits should reach £15m this year with the new products making an impact in the second half. A p/e of 11¼ at 700p is fair enough until the success of lamb roast can be gauged.

Aircraft sales bolster Horizon

Horizon Travel, the UK's third largest tour operator, made £13.65m profit on aircraft sales last year, and this enabled it to report a near 16 per cent rise in profits at the pre-tax level, up from £12.52m to £14.46m.

Trading in the year ended November 30, 1985 was adversely affected by the consequences of the miners' strike and by price increases caused by the weakness of sterling. Horizon experienced a substantial decline in passenger carryings as a result of lower demand, intense price competition and discounting by competitors. Group turnover fell from £151.94m to £135.69m.

However, the directors say that the current year has started well against a background of intense price competition which continues to dominate the market. To date, winter confirmed bookings amount to 132,000 compared with 105,000, and for next summer bookings have more than doubled to exceed 350,000.

The dividend for the year is held at 4.4p with an unchanged final of 3.52p, on earnings per share of 20.9p (19.47p).

The cost of introducing the new Boeing 737-300 aircraft have been absorbed in the year. The investment in new aircraft has held back the company's interest earning potential—interest received fell from £2.33m to £1.61m. Last time, aircraft disposals added £5.7m to profits.

● comment

Operating profits disappeared over the horizon last year and it is far from certain that they will be visible again in 1986. Having stood aloof from the price war for much of 1985, Horizon has now entered the melee, with the result that forward bookings are much stronger. But that scarcely compensates for the margin loss; sandwiched uncomfortably between the smaller specialists and the two largest operators, Horizon has been obliged to sacrifice margin without picking up the economies of scale enjoyed by Thomson and Intasun. The strength of its balance sheet enables it to weather a few more stormy summers, but the absence of net debt and the growth in shareholders' funds to £62m only illustrates the inadequacy of Horizon's return on assets. While the dividend was effectively covered by profits on aircraft disposals, the current year may provide no such cushion. With the shares yielding just 5.3 per cent at last night's price of 125p, there may be an argument for selling and reinvesting the proceeds in a cheap Horizon holiday.

Aurora improves and passes £9m

FOLLOWING THE re-structuring of **Aurora**, the Sheffield-based engineer, substantial improvements in performance *have resulted and pre-tax* profits climbed from £6.59m to £9.09m in 1985.

A final dividend of 0.65p net *will be proposed per ordinary* share, bringing the total dividends for the year for the former preferred ordinary shareholders to 1.4p per share.

Sales during the year totalled £107.58m against £104.76m.

● comment

Aurora has made firm progress *since its reconstruction in 1983*, buthe path it treads is not an easy one and the latest 38 per cent profits increase is the more *impressive when seen against* the obstacles it has overcome. The Australian activities, which contributed 37 per cent of *operating profits* in 1984, performed well in local currency terms but their contribution was badly hit by adverse exchange rate movements. The fasteners division's sales fell by 10 per cent, partly through disruption to the screws business caused by a *factory* move and *partly through poor demand* and tough competition in nails. In metals and tools, the Edgar Allen Foundry lost £800,000, not *least because of further labour* problems. However, the engineering divsion extracted higher profits out of similar sales and the star performers of metals and tools put the icing on the cake. The new management's lengthening record of extracting steady growth from the group suggests that the shares are modestly rated on their historic p/e ratio of 8.

Metal Closures dives 45% to £3.9m

THE WARNING midyear by the directors of the Metal *Closures Group* that the continuing weakness of the rand against the pound would make a significant impact on the 1985 *results has materialised.*

From turnover of £83.7m (£88.49m) pre-tax profits for the year fell from £7.04m to £3.85m, a drop of 45 per cent. A final dividend of 4.5p holds the net total at 6.7p.

The profits took account of a loss on a discontinued activity of £734,000 (£328,000).

● comment

Metal Closures moved over to *average exchange rates for 1984* but no change in accounting policy could stop 1985's very low average rand rate from *badly hitting* a company with around half its profits drawn from South Africa. The damage done by the weak rand also dented the *balance sheet* but post year-end the exchange rate has improved and a £4.2m *surplus from an independent* property valuation has more than plugged the holes. The quality of Metal's earnings will *remain questionable as long* as its South African dependence is so considerable — although the moment to sell up or to considerably reduce the *holding* has probably passed. Given this then solid recovery back to the £7m level of the last two years *would seem a long way off. The* maintained dividend gives some support through a 7 per cent yield although the cover is slim. *Bottle tops do not seem* to merit recovery status in the market's eyes so the shares at 135p have little upside prospect.

BBK ahead and order books good

FURTHER all-round progress at **Brown Boveri Kent (Holdings)** saw 1985 profits rise from £7.59m to £8.79m pre-tax.

Furthermore, the group has entered 1986 with a good order book and prospects for all divisions are described by the directors as encouraging.

They point out that improvement in 1985 was limited due to weakening local currencies against sterling in the main overseas territories—Australia, the US, Italy and South Africa.

While orders increased by some 4 per cent, turnover at £118.57m was only marginally ahead of 1984's £117.46m—the group manufactures industrial instruments.

Earnings rose to 9.8p (6.7p) and a final dividend of 2p (1.5p) *makes a total of* 3p (2.5p) net per 25p share.

Glynwed £9m Australian deal

By David Goodhart

The engineering group **Glynwed International** has bought the Australian pipe fittings and *plastic valves company*, Philmac, for A$18m (£9m).

The cash offer has been accepted in principle by the board and major shareholders of the Adelaide based group, but completion is conditional on Australian Government approval, which has been applied for.

Glynwed said that Philmac's specialist products are complementary to its own tube and fittings operations in the UK—Durapipe and Vulcathene. The acquisition is part of Glynwed's international strategy for expanding its interests in plastics pipe systems.

KEEP TRUST, investor, motor trader and engineer, increased taxable profits from £1.71m to £2.18m in 1985. Turnover was £65.99m (£58.9m). Final dividend is 2.63p, making 4.5p (adjusted 3.75p). Directors are hopeful of profit improvement for 1986.

Pifco/Mellerware

Mellerware International has agreed to purchase the *name* and business assets of **Sona** from Pifco Holdings for a consideration of £750,000.

Sona was formerly part of International Salton Holdings, purchased by Pifco in 1983. Prior to that Sona had been *part of N. C. Joseph. This move* now unites the business into its original state.

In *our edition of March 25*, it *was inadevertently stated* that Mellerware was selling part of the business assets of Sona to Pifco.

Bridon nears £17m as demand recovers from miners' strike

THANKS TO a pick-up in demand for its wire ropes products following the end of the miners' *strike*, **Briden**, based in South Yorkshire, yesterday reported a 15 per cent increase in pre-tax profits to £16.7m for *1985. This* compares with £14.5m last time, and is £1m more than most analysts had been expecting.

The dividend for the year is raised 25 per cent to 5p with a final payment of 3.5p (2.8p), with earnings per share up from 15.2p to 30.4p.

Results from the important America's market were disappointing, say the directors—operating profits here fell from £10.1m to £6.2m, and recovery in the US is likely to be slow.

In the UK, the wire ropes division improved profits by nearly £3m to £9.8m, while composite materials cut its loss by £0.4m to £100,000.

Group companies turnover rose from *£187.7m to £208.7m*, but the share of related company sales was static at £125.8m (£124.9m). Finance charges *were unchanged* at £3.4m.

An extraordinary charge of £4m covers provisions for the closure of the Wakefield factory of British Ropes and the Columbia cables *plant* in Paris.

Working capital was markedly reduced during the year, with net borrowings down from £28.5m to *£16m. Group gearing* fell from 28.8 per cent to 18.2 per cent.

● comment

With one bound, Bridon has become a recovery stock. It was not just the 15 per cent *rise in pre-tax* profits that sent the shares up 13p yesterday to 163p. It was the cheerful tone of the statement: rationalisation benefits in the UK are coming through strongly, Europe is being sorted out, while even in the US a slow recovery can be expected this year. The market has the foresight to *look* beyond the initial damaging effect of the Mexican disposal—reducing 1986 pre-tax profits by about £4m — and is *concentrating* on the salubrious longer-term effect on the quality of earnings. With earnings now blameless and with an *encouragingly* large increase in the dividend still leaving the payment well covered, the price rise is not overdone. *On unchanged* earnings this year, the shares their historic p/e ratio of 8 at *55½p*.

Enlarged Lowe Howard set for continuing growth

WITH 1985 pre-tax profits ahead by 34 per cent the directors of **Lowe Howard-Spink & Bell** *are looking to* 1986 with confidence and see it as a year of development in Europe, combined with *continuing growth* in the UK and the US.

The profits for the past year — a record £3.16m, against a previous £2.36m—exceeded the forecast of £3m made last November at the time of the international acquisitions made from the Interpublic Group.

Turnover advanced from £52.14m to £58.02m—the group is an advertising agent. Earnings rose to 17.1p (12.2p) and a final dividend of 4p makes a net total of 6p on the enlarged capital. Last year a single dividend of 2.6p was paid.

The results do not include the international interests acquired.

● comment

Quid pro quo . . . Lowe Howard-Spink and Bell began the day with *news of a new* £25m account for General Motors in West Germany and ended it with the Takeover Panel's putsch on the bid advertising it has been churning out for the last six months or so. Buoyed by profit projections of £6m and a prospective p/e of 20, the City gave the agency the benefit of the doubt and the share rose by 30p to 418p. With its work for the Burton Group, Distillers, GEC, Guinness and Hanson Trust the agency has produced so much of what the Panel now perceives as the unacceptable face of advertising an dthe news of the ruling is a bitter blow. Through the Marschalk acquisition in November Lowe became the only British agency to join Saatchi and Satchi in the international sphere. The Marschalk agencies should produce £2.5m of group profits in 1986, but as the General Motors coup indicates, the real benefit of the deal is the agency's newfound ability to win international accounts.

KUWAIT Investment Office has sold about 6m shares of Trust House *Forte*, the hotels and catering group, reducing its shareholding to 38.33m shares or 4.91 per cent.

UK COMPANY NEWS

Associated Book declines but plans £6m expansion

IN SPITE of the directors' hopes that the second six months would see resumption of growth, **Associated Book Publishers'** profits for the period declined and left the full 1985 year take £322,000 lower at £7.76m pre-tax.

However, shareholders are told that the continued strength and future prospects of the group justify a dividend increase of 12 per cent to 5.6p net, the final being 3.5p.

After providing for the final payment shareholders' funds at year-end showed an improvement of £10m at £18.5m.

Along with the results the directors say agreement has been reached in principle for the acquisition of two small UK publishing companies for an aggregate £5.7m.

Consideration for the two companies, Croom Helm, an academic book publisher, and Pitkin Pictorials, a general publisher specialising in souvenir guides and books on the British heritage and monarchy, is likely to be satisfied as to £4.5m in cash and £1.2m in Associated Book shares.

Group turnover for the past year rose from £67.04m to £75.96m but trading profits slipped to £7.72m (£7.88m).

Tax accounted for £3.45m (£3.57m) and minorities for £693,000 (£722,000). There were also extraordinary charges of £84,000 this time.

Earnings on the enlarged share capital emerged 1.6p lower at 15.6p.

● comment

The second-half upturn predicted by Associated Book Publishers at the interim stage failed to materialise yesterday, but the market had an inkling of what was coming and the shares shed just 3p to 215p. The main reason for the downturn was a 60 per cent cut in profits from Australia caused largely by adverse exchange rates, but reorganisation hit other parts of the group—particularly bookselling, which went into loss. As Australia recovers and integration of Routledge and the two new acquisitions continues, a modest advance to £8.5m looks probable this year, putting the shares on a prospective p/e ratio of 13 after a 44 per cent tax charge. The following year holds out the prospect of faster growth as further benefits of reorganisation and international expansion come through, but with investors once bitten and the jam not due till the day after tomorrow, the shares are unlikely to see much action in the short term.

VG Instruments ahead by 35%

VG Instruments lifted pretax profits by 35 per cent in 1985 from £10.61m to £14.32m on turnover ahead by 30 per cent at £66.08m against £50.89m.

The company, a subsidiary of BATS is based in Sussex, and makes scientific instruments. At the interim stage it had improved profits by £948,000 to £4.37m.

The directors are recommending an increased 2.5p (1.8p) payment for the year, with a 1.8p (1.2p) final dividend. Net earnings per 10p share are shown ahead from 11.75p to 16.91p.

Trading profit was up at £13.12m (£9.53m). After tax of £5.65m (£4.57m), minorities of £211,000 (£171,000), and an extraordinary debit last time of £155,000, attributable profits came out £2.74m higher at £8.46m.

● comment

Very Good seems the best comment to make on VG Instruments' results. Trading margins were up to 20 per cent, the £10m cash pile continues to produce income and the order book already holds the equivalent of 80 per cent of 1985s turnover. The more delicate question is whether VG ought to be trying to pull off a suitable merger before BAT decides that cash in hand is worth two or more slim dividends in the bush. BAT has to remember that its boffin oriented offshoot is a people business and that changes in the management at VG, whether as a result of an unwelcome bid or edict from on high, could see many reach for their share options and leave. This year VG should easily make £18¼m and this puts the shares at 396p on a prospective p/e of 17 and still look cheap at this level. VG has set up a divisional structure with a view to rapid growth and is accumulating the cash for an acquisition. But solving the BAT shareholding issue ought to come first.

Really Useful on target with £2m halfway

In its first results since coming to the market in January, Andrew Lloyd Webber's **Really Useful Group** has announced pre-tax profits of £2.03m for the six months to end-1985, compared with £864,000.

A 3.75p interim dividend is being paid, keeping the group on target for the 11.25p total forecast in its prospectus. Stated earnings per 5p share are up from 4.8p to 12.3p.

The directors remain confident that the group will achieve the forecast of not less than £4.2m for the full year.

Turnover for the six months increased from £4.51m to £7.51m, and net income, after production and operating costs, emerged at £2.48m (£1.5m) with the bulk—£2.2m (£1.06m)—from theatre productions.

Cats and Starlight Express have been the principal source of profit growth, and income from overseas territories has shown a large increase

Rank may appeal to Law Lords over blocked bid

THE **Rank Organisation**, owner of Butlins and the Odeon cinema chain, was last night considering whether to appeal to the Law Lords in a last attempt to remove the block imposed on its takeover plans for Granada Group by the Independent Broadcasting Authority.

That being the case, the judges held, the decision was not within the field of public law and therefore could not be interfered with by the courts under the judicial review procedure invoked by Rank.

Last week Rank announced that it was withdrawing its £753m bid for Granada, which includes Granada Television, for the time being because it was facing underwriting costs of nearly £900,000 a week while the litigation went on.

Rank has told the takeover panel that it would be able to launch a new bid "within 21 days of the impediments arising from the IBA's decision being over-ruled."

Yesterday the Court of Appeal gave its reasons for last week dimissing Rank's appeal against the High Court's refusal to quash the IBA's decision not to allow Rank to exercise the voting rights in more than 5 per cent of Granada's shares.

The three appeal judges followed the High Court in ruling that, when the IBA made its decision, it had not been exercising a statutory power under the 1981 Broadcasting Act, but an adjudicatory power conferred on it by Granada's articles of association.

The articles provide that no Granada shareholder may vote more than a 5 per cent holding without the IBA's approval.

Sir Patrick Meaney, Rank's chairman, said last night that the company would be pondering the appeal court's judgment before deciding whether to seek leave to appeal to the House of Lords.

Elders way cleared to challenge disclosure call

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

Elders IXL, the Australian group with brewing and agriculture interests, was given leave by the High Court yesterday to challenge the legality of the proposal by the Monopolies and Mergers Commission to reveal to Allied Lyons, the food and drinks group, detailed financial information about Elders' bid for Allied.

At a hearing expected towards the end of next month, Elders will seek judicial review of the commission's decision, which it will ask the court to quash.

Yesterday Mr David Oliver, for Elders, told Mr Justice Mann: "It is quite unprecedented for the details of a bid to be revealed to the target company before the bid has even been made."

One of the Commission's reasons for seeking to reveal to Allied part of Elders' submission had been prompted by a belief on the part of the Commission's chairman, Sir Godfray Le Quesne, QC, that he had a duty to act fairly towards Allied.

"We say that the act leaves no room for that kind of consideration of Allied's position," Mr Oliver said.

UK COMPANY NEWS

Protech helps Rotork rise by 26% to over £5m

Rotork, *designer and maker* of valve control equipment and machine tools, has achieved a 26 per cent rise in full-year pre-tax profits from £4.34m to £5.46m on turnover just 3 per cent higher.

In the year to end-December 1985 turnover improved to £30.81m (£29.85m). At the half-way stage turnover and profits were £13.83m (£13.12m) and £2.1m (£1.91m) respectively.

The final dividend is stepped up to 3p (2.4p), raising the total *to 5.4p (4.5p). Stated net earn*ings per 10p share are ahead by 1p to 13.4p.

Mr Jeremy Lancaster, the chairman, reviewing the year, states that *Protech Instruments* & Systems, which was acquired in mid-1985, performed beyond expectations.

The controls division had its *best year for sales and profits*, highly creditable, he says, in a difficult market for valve actuators. The most marked improvement was shown in the US.

Jacques was expected to have difficult year, reflecting the low level of activity in the North Sea, so certain aspects of this business were reorganised.

Since Protech became part of the group it has continued to *work on its two large nuclear* contracts, and has launched a *new product*, Supervue.

Tax took £2.28m (£1.82m), and last time there was an *extraordinary debit of £236,000* representing the loss on winding up a subsidiary's trade.

● comment

With the acquisition of Protech last year Rotork finally diversified away from its dull, but *worthy*, valve actuator interests. It diversified in the nick of time. Even valves can be hit by the plummeting price of oil and Rotork's US interests, which supply the nouveaux pauvres of Texas, have borne the brunt of the recession. The company is redirecting valves *towards* water treatment and sewerage. But building up new areas of activity takes time and the City, which added 1p taking the share to 154p yesterday expects marginal growth in profits to £6.5m and a p/e of 10.5 in the coming year. For the future Rotork will concentrate on new product development; within valve actuators; instru*mentation, through Protech and* Ludlam Sysco; and Jacques, which will be steered away *from oil into sub-sea cables and* the defence industry.

Stag recovery gathers pace

THE RECOVERY at Stag Furniture Holdings gathered pace during the second six months of the *1985 year and for* the full 12 months profits at the pre-tax level improved from £607,000 to £1.35m.

And from earnings to 12.8p *(2.5p)* the dividend is being doubled to 5.5p net, the final being 3.7p.

Turnover was lower at £30.37m (£34.77m) following the closure of the loss-making Yatton factory at the end of 1984.

At that time the *company* announced plans to merge Stag Cabinet and Yatton Distributors into a combined organisation based in Nottingham, to be *known* as Stag Meredew Furniture.

This reorganisation was largely completed by mid-1985 and contributed to a much better second half performance.

The freehold property, plant and other assets at Yatton were realised in the period and produced an extraordinary credit of £139,000 (£1.98m debit).

● comment

If 1985 was the year for cuts and closures, 1986 will be a year of consolidation for Stag. The retail furniture sector is stubbornly static. Nonetheless the shares rose by 15p to 118p yesterday buoyed by profit projections of £1.9m and a prospective *p/e of 7* in the coming year. Throughout the late 1970s and early 1980s when most furniture manufacturers *tumbled* downmarket. Stag stuck *sensibly* to its middle market niche and has steered clear of the price wars of the mid-1980s. *But the company* now needs to diversify outside the middle-aged middle market and has developed a new contemporary range for the newly mortgaged would-be yuppies. Having consolidated its British interests Stag plans to look further afield towards *Europe — where* it has already established a niche in West Germany and Switzerland — and to acquisitions.

Tyzack Turner little changed

Tyzack Turner, the Sheffield-based engineer, reports pre-tax profits of £119,000 for the six months to end January 1986, compared with £116,000. Turnover was up from £3.63m to *£3.97m*.

The interim dividend is raised from an adjusted 0.8p to 1p, and shareholders will be *offered a scrip option*. Earnings per share are shown unchanged at 3.4p.

The directors say that margins were under pressure in the half year, and the figures have been affected by exchange and interest rate movements.

Equity and Law Life profits rise to £6.77m

NET profits in 1985 of Equity and Law Life Assurance Society climbed from £5.64m to £6.77m, with the shareholders' portion of the surplus on the long term *funds rising by 19 per cent from* £5.35m to £6.38m. Dividends for the year are lifted by nearly 20 per cent from 5.6p to 6.7p.

Premium income on the long-term business revenue account rose by almost 15 per cent from £262m to £301m, while investment income climbed by 10 per *cent* from £144m to £159m. Claim payments were up by a quarter from £133m to £168m *and expenses* by 22 per cent from £67m to £82m.

The total distributable surplus for the year was *£72.5m of* which shareholders are entitled to one-tenth less a tax adjustment.

Newey at £1.8m

Newey Group, a smallware *manufacturer owned* by William Prym-Werke of West Germany, increased taxable profits from £1.35m to *£1.8m over* the 53 weeks to January 5 1986. Turnover was lower at £17.39m (£17.91m).

Supra rises 49%

Supra Group lifted pre-tax *profits 49 per cent from* £1.07m to £1.59m in the year ending November 30 1985.

The group, which makes and distributes motor components, noise control products and paints, improved turnover to £15.39m (£12.85m).

A *final 1.4p dividend (1.14p* adjusted) is being recommended, making a 2.2p (1.86p) total.

BOARD MEETINGS

TODAY

Interims: New Cavendish Estates, Town Centre Securities, Trans-Oceanic Trust.

Finals: Amari, Anglo American Investment Trust, Automated Security, J. Billam, Breedon and Cloud Hill Lime Works, Charterhall, Common Brothers, Croda International, Derwent Valley, Desoutter Brothers, Downiebrae, House of Lerose, John I. Jacobs, Manders, Martin Currie Pacific Trust, Plan Invest, Relyon.

FUTURE DATES

Interims—	
Beckman	Apr 2
Burton	Apr 3
Dowding and Mills	Apr 10
Druck	Apr 3
Floyd Oil Participations	Apr 2
New Court Trust	Apr 8
Save and Prosper Sterling Deposit Fund	Apr 4
Smiths Industries	Apr 9
Vaux	May 9
Finals—	
Beauford	Apr 8
Billam (J.)	Mar 27
Chepstow *Racecourse*	Apr 4
Connells Estate Agents	Apr 11
EIS	Apr 16
Emess Lighting	Apr 1
Fitch and Co. Design Consultants	Apr 1
Greenbank	Apr 2
Huntleigh Technology	Apr 7
Johnston Group	Apr 8
M.Y. Dart	Apr 2
Martin (Ronald)	Apr 10
Metsec	Apr 7
Miller (Stanley)	Apr 1
Pearl Assurance	Apr 9
Rio Tinto-Zinc	Apr 9
Rotaflex	Apr 1
Scottish Heritable Trust	Apr 2
Telephone *Rentals*	Apr 15

Eagle Star

SUMMARY OF GROUP RESULTS FOR 1985

The results for 1985 were as follows:–

		1985 £m		1984 £m
PREMIUM INCOME				
Fire, accident and motor	720.2		620.5	
Marine, aviation and transport	43.5	763.7	44.1	664.6
Long term – annual premiums	231.4		237.2	
– single premiums	224.1	455.5	174.8	412.0
		1,219.2		1,076.6
PROFIT AND LOSS ACCOUNT				
Underwriting loss		(173.7)		(126.4)
Shareholders' long term profits		25.2		22.2
Investment return *		260.3		254.5
Profits of Gresham Investment Trust		4.6		2.8
Surplus before taxation		116.4		153.1
Taxation	(19.7)		(33.8)	
Minority interests	(6.0)	(25.7)	(7.4)	(41.2)
Surplus before extraordinary items		90.7		111.9
Extraordinary items		79.3		(3.6)
Transfer to capital reserves		(72.6)		(49.1)
Balance available for appropriation		97.4		59.2
Dividends		(39.0)		(40.0)
Balance added to revenue reserves		58.4		19.2

* The amount shown as investment return is made up as follows:–

		1985 £m		1984 £m
Investment income		123.9		127.4
Investment expenses		(5.3)		(3.3)
Profits of Grovewood Securities		29.1		25.4
Share of associated companies' profits		0.2		0.2
		147.9		149.7
Investment appreciation	135.5		112.1	
Transfer to deferred investment gains	(23.1)	112.4	(7.3)	104.8
Total investment return		260.3		254.5

Despite an underlying improvement in insurance rating levels during the year, the results for 1985 show a reduction in surplus before tax and minority interests to £116.4m (1984: £153.1m). However, the more realistic attitude towards rating now prevailing in the market should have a positive effect in future.

INVESTMENT RETURN. The total investment return was £260.3m (1984: £254.5m). This reflects a substantial growth in investment values and, after allowing for currency exchange rate fluctuations, the underlying growth rate in investment income was 9 per cent. The method used in the computation of these figures is unchanged from last year and excludes any increase in the value of the shareholders' interest in the life business, which is shown at a nominal value in the accounts.

GENERAL INSURANCE BUSINESS. General business premium income *increased by 15 per cent to £763.7m.*

The table set out below analyses the income and underwriting results for each major territory including an appropriate allowance for investment return (equivalent to that obtainable from risk-free investments) on the related insurance funds.

GENERAL BUSINESS INSURANCE RESULT

Amounts in £m

	Premium income	Under-writing result	Attributable investment return	1985 Overall result	1984 Overall result
United Kingdom and the Republic of Ireland *	594.7	(137.2)	75.5	(61.7)	(30.1)
Australia	35.4	(3.5)	5.9	2.4	4.9
Belgium	32.0	(7.4)	5.7	(1.7)	(1.7)
South Africa	45.6	(1.1)	3.8	2.7	6.1
USA	33.4	(18.6)	1.9	(16.7)	(10.6)
Other territories	22.6	(5.9)	5.9	–	(4.5)
	763.7	(173.7)	98.7	(75.0)	(35.9)

* including reinsurance and worldwide marine and aviation.

In the United Kingdom there was an encouraging increase of 30 per cent in *written premium income, spread over all the major classes.* This improvement reflects importantly the substantial increases in levels of *premiums which we have been able to obtain; but it will be readily* understood that the benefit of this in terms of earned premiums will not *emerge fully in the accounts until next year. In addition the hardening of the* market created a situation in which we were able, with a growing expectation of profitable trading in coming years, to recover part of our market share which we had sacrificed in the unsatisfactory conditions of recent years.

The property account suffered as a result of higher than normal weather claims and consequently only showed a marginal improvement on 1984 with an overall loss (after attributable investment return) of £14m (1984: £16m). The overall loss on liability business of £17m (1984: £8m profit) is arrived at after a significant strengthening of claims provisions following higher than expected increases in court awarded settlements relating to old personal injury claims during the year. Motor business was again unprofitable, with an overall loss of £27m (1984: £8m) and this account suffered from significant increases both in claims frequency and in average settlement costs. The overall loss on the accident account was £5m (1984: £7m) and included in this figure is £3m (1984: £4m) for travel business losses.

The results for London market business showed an overall loss of £4m (1984: £9m). The results for proportional treaty business were almost unchanged but there has been a significant improvement in the home foreign and excess of loss accounts. It has been necessary however to make additional provisions in respect of asbestos related and environmental claims for earlier years.

The worldwide marine aviation and transport account resulted in a transfer from profit and loss account of £1.5m (1984: £3m). Profits were produced in the United Kingdom, South Africa and Australia but results in the United States and France were again extremely disappointing. Corrective action has been taken.

Despite an increase of 14 per cent in underlying currency terms, overseas premium income fell by 13 per cent in sterling terms. The results were overshadowed by the considerable underwriting losses in the United States. Although rating levels increased substantially in this territory, large additional provisions had to be made in respect of prior year claims and these accounted for approximately half of the underwriting loss.

LIFE ASSURANCE BUSINESS. Overall premium income increased by 11 per cent to £455.5m and the shareholders' gross life profits were £25.2m (1984: £22.2m), an increase of 14 per cent. These figures were affected by the reduction in the rate of corporation tax which has the effect of reducing the grossed up value of life profits. The net transfer released from the life fund showed an increase of 21 per cent.

In the United Kingdom new single premiums of £163m were 37 per cent ahead of the corresponding figures for 1984 but total new annual *premiums* amounted to £19.8m (1984: £24.3m), representing a reduction of 19 per cent. The first quarter of 1984 was the last period during which life assurance premium relief was available on new annual premium policies and so the figure for the first quarter of 1985 was inevitably much reduced. Over the remainder of the year however 1985 production was *substantially* up on 1984. These figures exclude the new business of Eagle Pension Funds, *our managed pension funds subsidiary, for which new annual* contributions of £28.9m were received in respect of pooled and segregated *funds and contracts of investment management.*

A significant event which took place during the year was the successful launch of the Rainbow Bond and the seven "Rainbow rated" *unit trusts* which generated much enthusiasm from brokers. In the nine weeks up to the year end £17.7m was *invested in Rainbow Bonds and £1m in* unit trusts.

Overseas life business development was very good. Overall, in sterling terms, new annual premiums increased by 19 per cent and single premiums by 49 per cent. Excellent as these figures are, they are derived from the even better results in terms of the underlying currencies achieved by the major overseas subsidiaries. Australian Eagle in particular had an outstanding year with new annual premiums almost doubled and single premiums nearly trebled in local currency.

GROVEWOOD SECURITIES. As announced on 4th March the industrial businesses of Grovewood Securities, excluding VG Instruments which is now a direct subsidiary of B.A.T Industries, were sold to Wolseley Hughes p.l.c.

The above is a summary of the results for the year. The full report and accounts which contain an unqualified auditors' report will be published on 21st April 1986 and delivered to the Registrar of Companies within the prescribed period.

Eagle Star Holdings PLC, 1 Threadneedle Street, London EC2R 8BE

(A member of the B.A.T Industries Group)

NOTICE TO HOLDERS OF

Warrants to Purchase Common Stock of Beatrice Companies, Inc.

Pursuant to Section 6(b) of the *Warrant Agreement dated as of September 15, 1984, by and between* Beatrice Companies, Inc., a Delaware corporation (the "Company"), and Citibank, N.A. (the "Warrant Agreement"), notice is hereby given by the Company that the Company will execute an amendment *(the "Amendment") to the Warrant Agreement in connection with the hereinafter described Merger.*

An Agreement and Plan of Merger as modified from time to time (the "Agreement") dated as of November 14, 1985, and modified as of February 2, 1986, was entered into by and among the Company, BCI Holdings Corporation, a *Delaware corporation ("Parent")* and *BCI Merger Corporation*, a Delaware corporation and an indirect subsidiary of Parent ("Merger Sub"). In accordance with the Agreement and the Delaware General Corporation Law, Merger Sub shall be merged with and into the *Company (the "Merger") whereupon the separate existence of Merger Sub (except as may be continued* by operation of law) shall cease, and the Company shall continue as the surviving corporation. Subject to stockholder approval and the satisfaction or waiver of the conditions set forth in the Agreement, it is anticipated that the parties thereto will cause the Merger to be consummated in mid or late April 1986, by filing with the Secretary of State of Delaware a certificate of merger in such form as required by, and executed in accordance with, the relevant provisions of the Delaware General Corporation Law. As of the effective time of the Merger, each share of common stock, without par value, of the Company (the "Shares") issued and outstanding immediately prior to the effectiveness of the Merger (other than (a) Shares which are issued and outstanding immediately prior to the effective time of the Merger and owned by Parent or any direct or indirect subsidiary of Parent, or which are held in the treasury of the Company or its subsidiaries and *(b) Shares held by any holder who has perfected dissenter's rights* under the Delaware General Corporation Law) shall be cancelled and extinguished and be converted into the right to receive (i) \$40 in cash, without any interest thereon, and (ii) 10/25 of a validity issued, *fully paid and nonassessable share* of Cumulative Exchangeable *Preferred Stock of Parent with* a liquidation preference of \$25 per share.

The Amendment will provide that the Company after the Merger shall specifically assume all of the obligations which the Company *originally undertook pursuant to the Warrant Agreement* and the warrants issued thereunder (the "Warrants"). The Amendment will further provide that the holder of each outstanding Warrant to purchase Shares shall have the right during the period such Warrant is exercisable as specified in Section 4 of the Warrant Agreement, after the effective date of the Merger, to purchase (i) \$40 in cash, without any interest thereon, and (ii) 10/25 of a validly issued, fully paid and nonassessable share of Cumulative Exchangeable Preferred Stock of Parent with a liquidation preference of \$25 per share for each Share for which such Warrant was exercisable immediately prior to the Merger.

Any holder of Debentures who wishes to claim dissenter's rights with respect to the Shares for which such holder's Warrants are exercisable must exercise his Warrants for Shares prior to the effectiveness of the Merger, and must complete the further steps specified in the Delaware General Corporation Law for the perfection of such rights.

The Amendment will also provide for adjustments which, for events subsequent to *the effective date* of the Amendment, shall be as nearly equivalent as may be practicable to the adjustments provided for in Section 5 of the Warrant Agreement.

Any questions regarding the Amendment, the *effect* of the Merger on outstanding Debentures or the procedure for conversion of Debentures into Shares prior to the effectiveness of the Merger should be directed to:

Mr. Michael Quane
Beatrice Companies, Inc.
2 North LaSalle St., 25th Floor
Chicago, Illinois 60602

BEATRICE COMPANIES, INC.

BUSINESS LAW

Pay, productivity and the Bar

By A. H. HERMANN, Legal Correspondent

THE CASE of *Alexander v. Hailsham* which for all practical purposes ended in the High Court yesterday was the wrong dispute between the wrong parties in the wrong forum. It *might have been devised by the* Bar as a public relations exercise, to convince the public that its members are underpaid and that they are not the favourite children of the Government—on the contrary, they have to take the Lord Chancellor to court to get some justice from him.

This is, of course, about as close to the reality as Dallas or Dynasty are a true picture of the American oil industry.

Why is the dispute over the rate of pay received under legal aid by the Criminal Bar the wrong dispute? First, the figures on which the calculations of both sides are based are unreal. No one can say how much time a barrister spends on the preparation of a case and on *pleading* it. The assumptions underlying the Bar's case strike not only Lord Hailsham but everyone with some familiarity of what is happening in the criminal courts as wildly exaggerated. The real dispute should be about the barristers loss of time and inability to perform properly due to the absence of proper listing arrangements in the courts.

According to surveys and informed estimates, more than half the briefs received by barristers in criminal cases are returned on the eve of the trial so that the solicitor has to find a substitute at the last minute. They have to take whoever is available and often the barrister will appear for a client whom he saw only for a couple of minutes and sometimes not at all. The Bar's claim is based on the time barristers should be, but more often are not, able to spend on the case.

The complaint that barristers should bring against the Lord Chancellor is his failure to introduce a computerised listing system, and to decentralise courts and encourage specialisation. In making such a complaint, the Bar would be not only fighting for its own interests, but for those of the entire public.

A proper system of listing cases, taking into account not only the time of the judge but also the time of the lawyers appearing before him and of the parties, would result in a complete change of scene. Clients could even have the benefit of a conference with their chosen advocate well before the hearing date. Adequate preparation by counsel would shorten hearings. Barristers' claims for higher fees would then be more justified.

A claim for higher fees ignoring productivity and efficiency may create longer-term problems for the Bar. According to the Law Society, in 67 per cent of all cases in the Crown Court it would be cheaper for the prosecution service to use its own employed lawyers than to instruct a barrister practising from chambers.

> One cause of the poor performance of the criminal Bar is Lord Hailsham's failure to introduce a computerised listing system, co-ordinating the timetables of lawyers and the judges

The Prosecution of Offences Act 1985 enables the Lord Chancellor to give Crown prosecutors and solicitors additional rights of audience in the Crown Court. This provision was strongly opposed by the Bar and Lord Hailsham reassured it that it was not the Government's intention to alter the existing rights of audience in the profession in favour of solicitors.

But if efficiency is ignored, the greater success the Bar will achieve in negotiating fee scales, the nearer the time when the Government will be forced to look for a cheaper alternative and start using solicitors employed in its prosecution service in the Crown Courts.

Once the solicitors start to appear as prosecutors, there is no reason why other solicitors in private practice—or possibly working as "public defenders"—should not oppose them in the Crown Court. By pushing their fees up, barristers are adding yet another powerful argument for fusion of the legal profession.

Why is it a dispute between the wrong parties? It is difficult to think of a better friend of the Bar than the Lord Chancellor. Only last week, speaking at the annual dinner of the county court recorders and registrars, Lord Hailsham came down resolutely against the establishment of a family court, although he admitted that "*almost everyone is in favour of a family court.*"

The unhappy consequences of the present atomised jurisdiction over family matters and children in need of protection are well known. The Law Society proposed the establishment of a family Court and a family Appeal Court. This would end the overlap between county courts and magistrates' courts, the High Court Family Division, the Juvenile Care Proceedings and Crown Court appeals against magistrates' decisions in family matters. It would be a reasonable and much needed change enabling a more humane treatment of marital disputes and assuring better protection to children at risk.

Though Lord Hailsham gave other reasons for opposing such change, the facts remain that it would lead inevitably to equal rights of audience for solicitors and barristers, something the Bar does not want to accept. In this, as in many other matters, the Lord Chancellor shields the Bar. It is not the *Bar, but the families and* children at risk who should complain.

There is hardly need to explain why the High Court is the wrong forum for a dispute between the head of the judiciary and the Bar, its nursery. Acas would be a much more suitable forum. The judges had to act as conciliators.

To be fair to the Lord Chancellor, one has to see that while trying to protect the privileges of the Bar, he has in the past two years yielded to public pressure for modernisation of the courts and of the legal services. He even gave his blessing to proposals which, if adopted, would reduce the extravagant and costly verbosity of court proceedings — the main privilege of the Bar. He approved proposals for the streamlining of Commercial Court procedure and for simpler and faster processing of claims for damages in personal injuries.

It is proposed to give a more active role to the courts in adhering to timetables and to deal with simpler cases without oral hearings. This will inevitably concentrate a greater part of the work in the hands of specialised solicitors.

Lord Hailsham also foreshadowed last week the introduction, over the next five years, of computers to facilitate the processing of some 2m proceedings started each year in county courts. In the first instance, the memory banks would hold records of liquidated debt actions, but this is too little, too late. The Lord *Chancellor should send his* whole department on a visit to the American courts to see *how* computers can simplify and speed up work, starting with traffic offences and ending with the Supreme Court. Of course, in the US there are no barristers or solicitors, but only attorneys, forming one, united, and very prosperous profession.

"With new technology and the accessibility of advocates in the fused system, the time spent upon oral hearings has decreased. Litigants know the full facts of a case before trial. Inquisitorial procedures ensure that all matters that can be agreed before a hearing are disposed of. Settlements are more frequent and opening addresses by lawyers, if there is a trial, are short. As a consequence, oral argument is confined to the real issues. Judgments are much briefer and delivered in writing through the electronic communications network."

This is not a description of the present American system, but a prediction of the English system at the beginning of the 21st century, made in the closing chapter of an excellent book,* published today, in favour of fusing the profession, by Mr Peter Reeves, a solicitor and visiting lecturer at the Ruskin College, Oxford. But do we really have to wait for the 21st century?

* *Are two legal professions necessary? by Peter Reeves. Waterlow Publishing, 171 pages, £11.95.*

APPOINTMENTS

Foseco Minsep managing director

Mr Robert Jordan has been appointed group managing director of FOSECO MINSEP. He succeeds **Mr Tonqy Chubb**, who is appointed deputy chairman, following his recent appointment as chairman of Electrocomponents. Mr Jordan has been with the company for 24 years and a director since 1975. He has been deputy group managing director and executive director of the group's metallurgical activities. **Dr Doug Bryant** and **Mr Ian Hazlehurst** are appointed to the board. Dr Bryant is chief executive of all major group companies in the US and Mr Hazlehurst is managing director of Foseco International.

★

Sir Melvyn Rosser has been appointed a non-executive director of BUCKLEYS BREWERY from April 1.

★

LONDON PARK HOTELS has appointed **Mr Peter Ducker** to the board as marketing director.

★

Mr Peter H. Quinn has been appointed executive chairman of the PHOENIX TIMBER GROUP. **Mr Dennis S. Cook**, formerly chairman and managing director, and **Mr J. Cupples**, who was made redundant on November 30 1985, have resigned from the board. Mr Michael J. Green has also resigned from the board but will remain with the group in an executive role (Financial Times, March 21). Mr Quinn was formerly chief executive officer of Planet Group, the aluminium fabrication and glazing group. He was appointed a non-executive director of Phoenix in December 1985 following an introduction by Investors in Industry. Morgan Grenfell & Co. has been appointed as Phoenix's financial adviser.

★

Mr Len Shackleford has been appointed regional general manager of NATIONAL WESTMINSTER BANK'S Middle East, Africa, India and Latin America region, international banking division. He succeeds **Mr Reg Norris** on his retirement. Prior to his new appointment Mr Shackleford was deputy regional general manager, corporate financial services, International banking division.

★

CITYCROWN has appointed a group finance director, **Mr Mike Woodisse**. His last position was with Alfa Romeo GB.

★

Mr Neville Sandelson, deputy chairman of Westminster and Overseas Trade Services has been appointed a non-executive director of the PENTAGRAM GROUP.

★

Mr Ian W. Lawrie has been appointed a director of DRG. Managing director of DRG Stationery from 1980 to 1984, he was then made responsible for the majority of DRG's UK stationery and fine paper operations.

★

Dr A. M. Kessler, managing director of Roche Products in the UK, is to become director of the pharmaceutical division of HOFFMAN LA ROCHE, in Basle, with worldwide responsibilities. Dr Kessler will be a member of the management board of Hoffman La Roche. He is relinquishing his position as managing director of Roche Products but will remain a member of the board of the UK company. The new managing director of Roche Products Ltd is Dr P. J. Fellner, the present research director. Dr Fellner will also have responsi*bility for the subsidiary com*panies, Colborn - Dawes and Roche Parmaceuticals (Ireland). **Mr D. Griffiths**, finance director, has been appointed deputy managing director. He will be responsible for finance and management information services and the vitamins and fine chemicals division. The new research director is **Dr D. P. Clough**, previously associate director of biology. Dr Clough will be responsible for all research and pre-clinical development activities in the UK. All appointments are from April 1.

Mr Robert Jordan, group managing director of Foseco Minsep

★

CITY OF EDINBURGH LIFE ASSURANCE CO has appointed as marketing manager, **Mr Brian D. Hamilton**. He is manager at Newcastle for London Life and takes up his post in Edinburgh on April 7.

★

Mr John Madden, will become director—Port Talbot Works of the BRITISH STEEL CORPORATION on April 1. He replaces **Mr Brian Moffat**, who has been made managing director, finance, at BSC's head office in London.

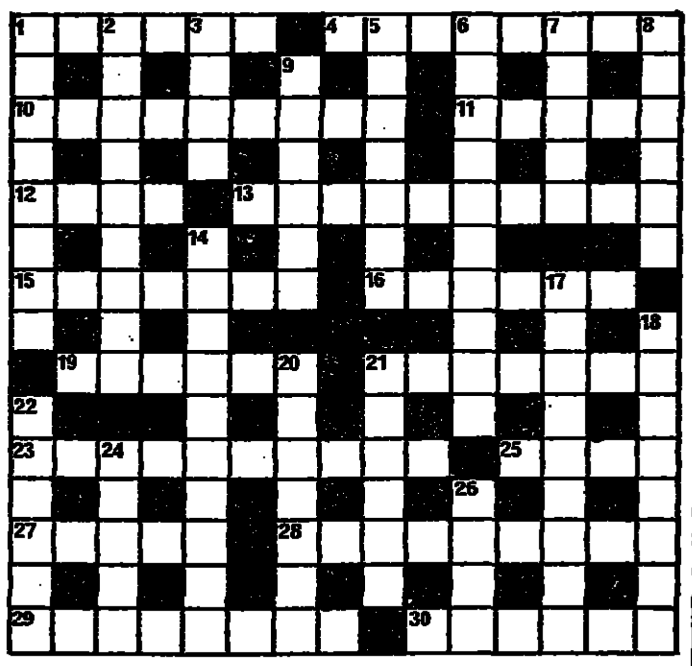
★

Mr Basil M. Scully has been appointed managing director of ASEA STAL, UK subsidiary of the Swedish ASEA Group. He was area director of Delaval Stork VOF.

★

Mr Jelle Schrok, general manager of BANK MEES & HOPE, London branch, will retire on March 31. **Mr Rutger W. J. Ford**, who has been manager corporate banking since the establishment of the branch in 1982, has been appointed his successor from April 1.

F.T. CROSSWORD PUZZLE No. 5,983



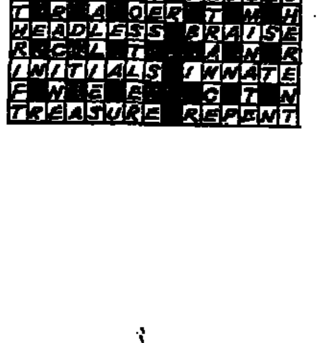
ACROSS

1 Puts in reverse or in state of inertia (6)
4 Old king's order for salad (8)
10 Lost again in confused yearning for the past (9)
11 Long, long time before noon (5)
12 Carry baby on middle of chest (4)
13 Authorised change in the age limit without involving husband (10)
15 Nothing less contains nothing sinister (7)
16 Named first, then led off: that's the point (6)
19 Silver has gilt finish. Amazed? (6)
21 Raw eggs can be made to bounce (7)
23 I'm fastidious with a routine about giving permission to print (10)
25 Only men can use ticket on Saturday (4)
27 Information on two Roman spirits (5)
28 Joint opportunity in space (9)
29 Getting better at pulling together (8)
30 Part of nucleus in favour of not going back (6)

DOWN

1 South and north take different action internally to obtain approval (8)
2 Disturbing but superior surroundings (9)
3 Test site has some eggs left (4)
5 Lecture on about relationship (7)
6 Yes, pearl is formed from skin irritation (10)
7 Climber trapped in Italian Alps (5)
8 It's waved by Fairy Queen to flit here and there (6)
9 Go about referring to ship as a female monster (6)
14 What famous personality has is not talent (10)
17 Leaves quickly when it's bedtime (6, 3)
18 Ideal guide with whom to search Arab sultanate? (8)
20 It meets part of the cost of the French in public transport (5-2)
21 Put out by being short and fat (6)
22 Condiment used in cooking in Germany (6)
24 Having to ring round an indefinite number is punishing (5)
26 Water container in sheep run (4)

Solution to Puzzle No. 5,982



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	259.6	278.6	+1.5	1.08
Income	188.7	202.1	+1.3	4.92
Worldwide Recovery	145.3	156.0	+1.0	1.68
American Growth	69.8	74.9	-0.1	0.87
Intl Emerging Cos.	78.0	83.8	-0.1	0.62
Far East Growth Fd	62.4	67.0	+0.4	1.07
European Growth Fd	58.7	59.8	-0.1	1.85

Prolific Unit Trusts
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc.	56.4	60.0	+0.1	4.85
Prolific Far East	145.3	156.2xd	+3.3	0.02
Prolific Extra Inc.	80.8	85.7xd	+0.1	5.01
Prolific G'tee & Gilt	95.8	101.4xd	-0.2	5.86
Prolific High Inc.	174.5	185.0	+0.4	4.11
Prolific Intl	104.2	112.0	+0.1	1.28
Prolific N. Amer.	138.5	148.9	-0.4	2.01
Prolific Spec. Sits	196.9	208.8	+0.82	1.33
Prolific Technology	112.9	121.1	-0.9	0.59

Providence Capitol Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc.	65.8	70.1	+0.2	0.00
Japan Acc.	66.0	70.3	+0.3	0.00
Worldwide Inc.	64.9	69.1xd	-0.3	1.41
Worldwide Acc.	65.7	69.9	-0.3	1.41
European Tst Inc	79.9	85.0	-1.0	0.64
European Tst Acc.	80.2	85.4	-0.9	0.64
North American Inc.	57.0	60.7xd	-0.3	1.63
North American Acc.	57.8	61.5	-0.2	1.63
UK Equity Inc	64.5	68.7	+0.3	2.64
UK Equity Acc	66.1	70.4	+0.4	2.64

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	58.7	62.8	+0.1	1.96
PM Income and Growth	57.9	62.0	+0.3	4.45

Prudential Unit Trust Mngrs Ltd (a) (b) (c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377

Holborn Comm Trust	52.2	55.5	-0.3	2.98
Holborn Equity Tst	403.2	428.9	+2.8	3.10
Holborn European Trust	77.4	82.3	-0.9	0.89
Holborn Gilt Tst.	180.2	188.4	+0.2	8.14
Holborn High Inc	64.7	68.8xd	+0.1	6.29
Holborn Intl Growth	88.0	93.6	-0.1	0.74
Holborn Japanese Trust	74.2	78.9xd	+0.9	0.05
Holborn N. Amer. Trust	68.7	73.0	+0.1	1.56
Holborn Spec Sits	62.0	65.9	+0.3	2.87
Holborn UK Growth	81.1	86.3xd	+0.2	2.84

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Sun Life Trust Mngmt. Ltd
107 Cheapside, London EC2V 6DU 01-606 6010

American Growth Acc.	31.0	33.0		1.4
American Income Acc.	30.2	32.2		5.5
American Income Inc	29.8	31.8		5.5
European Growth Acc.	45.4	48.3	-0.6	0.8
Far East Growth Acc.	34.8	37.0	+0.7	0.6
Int. Growth Acc.	31.4	33.4	-0.1	2.0
Japan Growth Acc.	44.9	47.8	+1.5	0.1
UK Growth Acc.	35.5	37.6		2.7
UK Income Acc.	31.0	33.0	+0.4	5.3
UK Income Inc.	30.3	32.2	+0.3	5.3
Managed Growth Acc.	37.4	39.8	+0.1	1.9
Managed High Yield Inc.	43.5	46.3xd	+0.4	7.0
Managed Income Inc.	33.2	35.4	+0.3	3.5

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks 0732 450161

Equity Dist.*	262.0	277.4		3.53
Equity Acc.*	315.3	333.8		3.53
Fixed Int. Dist.†	120.0	124.3		10.88
Fixed Int. Acc.†	176.0	182.3		10.88

*Prices on Mar 12. Next dealing April 9
†Prices on Mar 5. Next dealing April 2

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens House, Andover, Hants SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	114.4	121.8	-0.6	0.97
Do. Accum.	119.1	126.8	-0.6	0.97
TSB European		50.0		1.6
Do. Accum.		50.0		1.6
TSB Extra Income	105.2	112.0xd	-0.1	5.23
Do Accum.	122.9	130.8	-0.2	5.23
TSB General	157.8	167.9	+1.1	2.65
Do. Accum.	256.9	273.3	+1.8	2.65
TSB Gilt & Fxd Int	51.3	53.5	+0.2	8.04
Do Accum	65.7	68.5	+0.3	8.04
TSB Income	213.7	227.4	+1.1	4.14
Do. Accum.	328.1	349.1	+1.7	4.14
TSB Pacific	129.2	137.5	+0.6	0.67
Do. Accum.	132.4	140.9	+0.5	0.67
TSB International	289.3	307.8	+0.6	1.66
Do. Accum.	355.1	377.8	+0.7	1.66
TSB Natural Resources	45.8	48.8	-1.2	2.25
Do Accum	46.7	49.7	-1.3	2.25
TSB Sletd. Opps.	59.6	63.5xd	-0.2	1.98
Do. Accum	65.4	69.6	-0.2	1.98

3i Unit Trust Managers Ltd
2 St Mary Axe, London EC3A 8BP 01-928 3356

Small Co's Fund	69.5	73.9	-0.2	0.1

Target Trust Mngrs. Ltd (a)(g)
Target Hse, Gatehouse Rd, Aylesbury Bks (0296) 5941

American Eagle	73.6	78.2	-0.9	0.44
Australia	19.3	20.6	-0.3	0.10
Commodity	71.2	76.9	-0.9	2.29

Allied Dunbar Assc plc—Continued

Pen F I Dep.Cap	237.1	249.6		—
Pen F.I Dep.Acc	362.9	382.0		—
Pen. Prop. Cap.	379.1	399.1		—
Pen. Prop. Acc	641.1	674.9		—
Pen. Man. Cap	647.1	681.2		—
Pen. Man. Acc	1093.1	1150.7		—
Pen GiltEdg Cap	279.6	294.4		—
Pen. Gilt Edg. Acc.	386.0	406.4		—
Pen. Eq. Cap	1061.8	1117.7		—
Pen. Eq. Acc	1359.2	1430.8		—
Pen. Am. Eq Cap	137.2	144.5		—
Pen. Am. Eq Acc	148.1	155.9		—
Pen Far East Cap	140.5	147.9		—

Cornhill Insurance PLC
57 Ladymead, Guildford 0483 68161

Equity Fd (A&B) Mar 19	239.0	252.0		—
Fixed Int (A&B) Mar 19	169.0	178.0		—
Man Growth (A&B) Mar 19	497.0	523.5		—
Money Fd (A&B) Mar 19	136.5	144.0		—
Cap Fd (A&B) Mar 15		355.0		—
G.&S. Spec Fd (A&B) Mar 15		149.0		—
Far East Eqty (A&B) Mar 19	136.0	143.5		—
N.Amer Eqty (A&B) Mar 19	123.5	130.0		—
Int Technlgy (A&B) Mar 19	107.5	113.5		—
Property (A&B) Mar 19	149.5	157.5		—

Credit & Commerce Life Ass. Ltd
74 Shepherds Bush Green, W12 8SD 01-740 7070

General Portfolio—Continued

Pen UK Equity	201.2	211.9	-3.2	—
Pen Overseas Equity	139.9	147.4	+1.2	—
Pen Smaller Cos	115.4	121.6	-0.7	—
Pen Far Eastern	102.8	108.3	-1.7	—
Pen European	107.6	113.3	+2.5	—
Pen North American	104.9	110.5	+1.7	—
Pen Gilt Plus	124.5	131.1	-1.8	—
Pen Fixed Int Dep	113.2	119.2		—
Pen Bldg Soc	112.5	118.5		—
Pen Property	117.5	123.7	-1.2	—
Pen Index-Linked	92.5	97.5		—
Pen-Managed	166.0	174.9	-1.4	—
Pen Int Managed	146.6	154.4	+0.3	—

For other prices please telephone 0491 31971

Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU Burgh Heath 53456

Ex Bldg. Soc Lnkd	104.4	109.9		—
Do. Accum.	108.0	113.7		—
Exempt Cash Init	188.5	198.5	+0.1	—
Do. Accum.	245.8	258.8	+0.1	—
Exempt Eqty. Init.	618.7	651.3	+3.4	—
Do. Accum.	806.8	849.3	+4.4	—
Exempt Euro Init	95.8	100.9	...	—
Do. Accum	96.1	101.2		—
Exempt Far East'n Init	95.8	100.9	...	—
Do. Accum	96.1	101.2		—
Exempt Fixed Init	340.7	358.7	+1.5	—
Do Accum.	444.3	467.7	+1.9	—
Ex. Index Lnk. Gilt	97.4	105.1	+0.3	—

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Fund S.A.
2 Boulevard Royal, Luxembourg
World Fund NAV ... $16.33 -0.15 —

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd ... $15.93 -0.03 —
Inv. Adv. M & G. Inv. Mngt., Ltd, London

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg
Advanced Tech ... $14.12 -0.27 —
Dynamic Gwth Fd ... $13.97 -0.27 —

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey 0481 26268
Zero Bond Fund ... $11.58 12.27 -0.02 —

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund — 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.75			3-Mth
The Money Market Trust — 63 Qu Victoria St, EC4N 4ST 01-236 0952				
Call Fnd	11.73	8.77	12.07	6mth
7-day Fnd	12.01	8.98	13.19	6mth
Oppenheimer Money Management Ltd — 66 Cannon St, EC4N 6AE 01-236 1425				
Call Fnd	11.71	8.75	12.77	6-Mth
7-day Fund	12.10	9.04	13.20	6-Mth
Dollar	6.31			6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc — 22 Charlotte Sq, Edinburgh EH2 4DF 031-225 8484				
Full Service Cur Acc	11.00	8.00	11.77	Qtr
Aitken Hume — 30 City Road, EC1Y 2AY 01-638 6070				
Treasury Acc	11.00	8.27	12.13	Qtr
High Int Chq	11.00	8.22	12.20	Mth
Allied Arab Bank Ltd — 97-101 Cannon St, London, EC4N 5AD 01-283 9111				
HIBCA	12.10	9.05	13.49	mth
Bank of Scotland — 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc	11.00	8.22	12.20	Mth
Barclays Prime Account — PO Box 125, Northampton 0604-252891				
High Int. Cheque	10.75	8.00	11.78	Qtr
Britannia Investment Services Ltd. — 74-78 Finsbury Pavement, EC2A 1JD. 01-588 2777				
Cater Allen	11.00	8.22	12.1973	Mth
Charterhouse Japhet plc — 1 Paternoster Row, EC4M 7DH 01-248 3999				
Sterling	11.50	8.60	12.70	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.35	Mth
Swiss Francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth
Citibank Savings — St Martins Hse, Hammersmith Grove 01-741 4941				
Money Market Plus		8.20	12.14	Mth
For other a/cs and rates 'phone our Rateline 01 846 9760				
Co-operative Bank Cheque & Save — 78-80 Cornhill EC3 01-626 6543				
£500-£2,500	8.03	6.00	8.77	Qtr
£2,500 +	10.72	8.01	11.79	Qtr
Darlington & Co Ltd — Darlington, Totnes, Devon TQ9 6JE 0803-862271				
Money Mkt Acc	12.00	8.97	13.24	Qtr
Edward Manson & Co Ltd — 9 Henrietta Place W1M 9AG 01-631 3313				
Cheque Deposit Acc	11.50	8.59	12.76	Mth
Henderson/Bank of Scotland — 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc	11.00	8.22	12.20	Mth
Legal & General (Money Mngrs) Ltd — 955 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	12.04	9.00	13.14	6-mth
Lloyds Bank PLC — 71 Lombard St, London EC3P 3BS 01-626 1500				
HighIntCheque Account	10.75	8.25	12.16	Qtr
Lombard North Central PLC — 17 Bruton St, W1A 3DH 01-409 3434				
14-Day Notice	11.25	8.404	12.013	—
M & G/Kleinwort Benson — 91-99 New London Rd, Chelmsford. 0245 51651				
H I C A	11.00	8.22	12.21	Daily
Midland Bank plc — PO Box 2, Sheffield 0742 20999 Ext 8655				
High Int Chq Acc	10.70	8.00	11.78	Qtr
£10,000 +	11.04	8.25	12.16	Qtr
Oppenheimer Money Mgmnt Ltd — 66 Cannon St, EC4N 6AE 01-236 1425				
Money Mngt. Acct	11.25	8.41		3-Mth
Phillips & Drew Trust Ltd — 120 Moorgate, London EC2M 6XP 01-628 4771				
High Int Chq Acc	11.625	8.69	12.83	Qtr
Provincial Trust — 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
High Int Chq Acc	12.00	8.97	13.24	Mth
Royal Bank of Scotland plc — 24 Lombard St, London EC3V 9BA 031-557 0201				
Premium Account	11.00	8.22	12.11	Qtr
Save & Prosper/Robert Fleming — 28 Western Rd, Romford RM1 3LB. 0708 66966				
H I B A	11.0	8.22	12.24	Daily
Tyndall & Co — 29-33 Princess Victoria St, Bristol 0272 732241				
Demand Acc	12.00	8.97	13.25	Qtr
Money Acc	11.53	8.62	12.72	Qtr
J. Henry Schroder Wagg & Co Ltd — Enterprise House, Portsmouth 0705 827733				
Special Acc	11.00	8.22	12.20	Mth
Over £10,000	11.25	8.41	12.49	Mth
Western Trust & Savings Limited — The Moneycentre, Plymouth PL1 1SE 0752 24141				
High Int Chq Acc	11.69	8.74	12.90	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. * Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊕ Yield column shows annualised rates of NAV increase. xd ex dividend

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		p
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	35
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	37	Polly Peck	21
Beecham	30	Racal Elect.	15
Blue Circle	50	RHM	12
Boots	24	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons.	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	Wellcome	19
FNFC	12	**Property**	
Gen Accident	55	Brit Land	14
Gen Electric	14	Land Secs.	26
Glaxo	108	MEPC	26
Grand Met	30	Peachey	24
GUS 'A'	70	Samuel Props	15
Guardian	60	**Oils**	
GKN	20	Brit Oil & Min	3½
Hanson Tst	18	Brit Petroleum	45
Hawker Sidd.	36	Burmah Oil	27
ICI	42	Charterhall	4
'Imps'	16	Premier	5
Jaguar	27	Shell	55
Ladbroke	27	Tricentrol	18
Legal & Gen	60	Ultramar	18
Lex Service	24	**Mines**	
Lloyds Bank	35	Cons Gold	40
Lucas Inds.	38	Lonrho	12
		Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

MPs demand tin crisis debate

BY STEFAN WAGSTYL

MPs have made a scathing attack on the Government's involvement in the International Tin Council in the Trade and Industry Select Committee report on the tin crisis, published yesterday.

They are also demanding a House of Commons debate on the refusal by ministers and officials at the Department of Trade and Industry to answer the committee's questions fully.

The all-party committee further argues that the failure of the International Tin Agreement's attempts to manipulate prices was "inevitable." It urges the Government to look into the other international trading organisations to which it belongs and make sure that liabilities are clearly understood.

Finally, the report calls for more than £20m in government aid for the Cornish tin industry.

The committee opens the report by spelling out the constraints it faced. Sir Brian Hayes, the DTI Permanent Secretary, told the committee that he could not answer questions fully for three reasons — ITA proceedings were confidential; legal proceedings had started in the ffair; there were the normal constraints on civil servants disclosing information.

The committee accuses ministers and officials of being "unnecessarily obstructive" in refusing to discuss ITC documents which were in any case going to be published. It argues that the existence of legal proceedings should not prevent MPs discussing the matter since "the tin crisis is of such national importance that the House should not be debarred from expressing its views." On the matter of the rules governing disclosure of information by civil servants it says "The rules were not made by the House: the Government could depart from them if it wished."

The refusal to answer questions fully prevented the committee from discovering all the facts about the role of the Government in the crisis. "This refusal has implications for the work of other Select Committees." Commenting on this point, Mr Kenneth Warren, the committee chairman, said the public had a right to know with jobs, savings and taxpayers' money at stake.

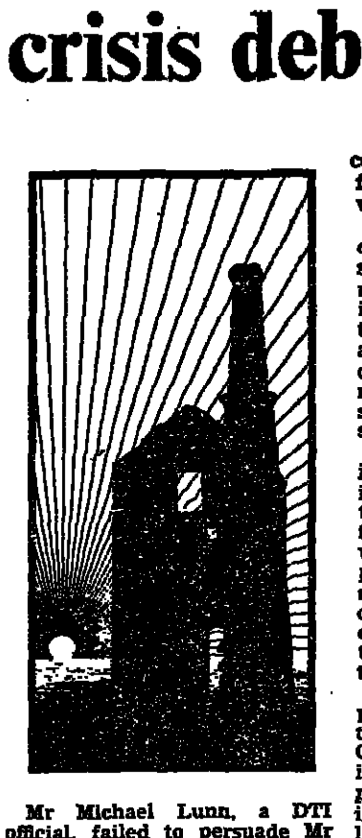
The report calls on Mr John Biffen, the Leader of the House, to provide time for a debate.

Turning to the tin council, the report says: "It appears to us that the ITC was totally out of control, and that a council of officials from 22 countries which are not very likely to agree on anything consistently is not a suitable body for what may need to be day-to-day control of a rapidly changing market."

The council's price-support activities had three "entirely predictable" consequences—it stimulated new production, it discouraged consumption and it stimulated the use of substitute materials.

The ITC is discredited, says the report, and if it denies liability for its debts international commodity agreements will also be discredited as a way of supporting prices. Moreover, of prosperous countries walk away from their collective debts there is no reason to expect poor states to pay theirs.

The committee reserves its fiercest attack for the British Government. The London Metal Exchange could not have foreseen that the ITC might renege on its debts, says the report. Its chairman was only given a warning by the DTI "in such imprecise terms as to be worthless."



Mr Michael Lunn, a DTI official, failed to persuade Mr Jacques Lion, the LME chairman, to transmit his warning to LME ring-dealing members — "a degree of incompetence which speaks for itself."

The report says it is "unforgivable" that this warning was intended only for the LME and not others exposed to risk in dealing with the tin council —namely Cornish tin producers and banks lending to the ITC.

The committee was told by Sir Brian Hayes that the UK tried and failed to persuade other ITC members to reform the council's finances. The Government therefore dropped its "high-profile" efforts and tried a "lower profile" approach in the hope that this might work. The report says that these comments might well be useful for the "Yes Minister" television comedy series.

The committee says glossing over the problems in this way so as not to rock the boat is not good enough. The legal immunity of the council and the secrecy surrounding its affairs placed an extra duty of care on the Government, which now "must bear a heavy responsibility towards those who have suffered in consequence."

"If the Government were to invest money on such a scale in a nationalised industry and then were refused access to financial information, there would be an outcry; the same principle should apply to international organisations," say the committee. It urges the Government to look into its relations with all international trading organisations.

The committee has little but praise for the Cornish tin industry. It recommends supporting Geevor Tin Mines, the only independent tin mining company, with £20m over five years in the form of interest-free loans convertible into equity. In addition it calls for short-term price support payments to all Cornish producers to help tide them over.

The committee says that if the Government was willing to put £50m towards paying off ITC debts it should also be prepared to defend the Cornish industry since it was "partly responsible" for the ITC's collapse.

This recommendation is not "a sentimental desire to preserve a dying industry" . . . "The Government is inclined to wait and see what happens. This simply will not do. If it waits for the tin price to settle before taking action there will be no tin industry left in Cornwall."

Stefan Wagsty on the switch to clearing house trading

The LME accepts the inevitable

THE GREAT debate at the London Metal Exchange is over.

For years members have been discussing whether its trading arrangements, unique in world commodity markets, should be replaced by a clearing house.

Some said that it would be reckless to change overnight the system under which members trade directly with each other as principals. It had served the exchange well since its foundation in 1877, they said. But others argued that a clearing house, which acts as an intermediary, would cut the risks of trading. It was about time, they said, that the LME moved into the twentieth century.

The debate had been gathering pace over the past year following the announcement of the Government's plans to increase the regulation of the City's markets under the terms of the Financial Services Bill. It was well known at the LME that the newly-formed Securities and Investments Board, which will supervise most City markets, favoured clearing house systems.

But the news this week that Sir Kenneth Berrill, SIB chairman, was insisting on a clearing house for the LME still came as a surprise to many traders at the exchange. The LME Board was given no choice and decided on Tuesday that a clearing house it had to be.

Sir Kenneth told LME officials that his decision had nothing to do with the impact of the international tin crisis, which erupted at the exchange last October 24 when the International Tin Council defaulted on its £900m debts

But it is clear that, in the wake of the crisis, the LME was in a poor position to challenge the SIB and produce a coherent set of alternative proposals. Mr Michael Brown, LME chief executive, said yesterday: "The metal exchange as we know it ceased to exist on October 24."

The LME has already settled the broad outlines of its new trading system. It will not run the clearing house itself but is instead negotiating an arrangement with the International Commodities Clearing House, which already runs systems for the London International Financial Futures Exchange (LIFFE), the agricultural markets grouped around the London Commodity Exchange and several overseas financial markets.

Mr Brown said that the LME hopes to settle the final details in the next two months, leaving the ICCH some six months to get the system started. Time is pressing because, under the terms of the Financial Services Bill (assuming it becomes law), the exchange will have to be registered with the SIB by the beginning of 1987.

The immediate impact of the clearing house is already clear:

Mr Michael Brown, LME chief executive, —"The metal Exchange as we know it ceased to exist on October 24"

● The supervision of trade will be increased. Under the present monitoring system, called Memo, ring-dealing members every day reveal the risk positions they have taken with other LME members. In future they will also almost certainly have to disclose their positions with clients.

● Margin payments. LME clients are not currently obliged to pay margin, or advance deposits, on positions taken on their behalf—uniquely among commodity markets, the exchange allows clients to be given unlimited credit. In future ring-dealing members will have to pay margins to the clearing house and will inevitably have to pass most or all of the cost on to the customers.

● Costs. LME members now pay the exchange about £30,000 a year for administration. This is likely to be increased by turnover-related payments made directly to ICCH. In addition, in-house office costs are expected to rise.

● Contracts. The standard LME forward contract is for metal for delivery in three months, with a different contract for every trading day. Brokers roll forward contracts for clients wanting to trade over periods of more than three months. Now the exchange is discussing extending the time-period to 12 or 15 months to make the market more flexible.

In the eyes of the SIB, the fundamental aim of the clearing house will be to reduce the risk the exchange's customers have of losing their money through the collapse of some or all of the ring-dealing members. The power to monitor broker-client as well as broker-broker positions is expected to provide better early warning signs of customers building up dangerously large exposed positions on the market. The tin council, for example, was able to conceal the true extent of its indebtedness to the market because the exchange could not aggregate its positions with individual brokers.

Moreover, supporters of a clearing house argue that the expense of making margin payments should deter customers from building up such large positions.

LME members who have opposed the introduction of a clearing house were yesterday mostly resigned to having to live with it. But some protested that they were being forced to accept a fait accompli. One ring-dealing company chairman said: "I am very very unhappy. Our customers don't know what's going on."

Both supporters and opponents of the clearing house realise that it will bring far-reaching changes to the exchange. By raising costs, it could drive away business from traditional exchange customers, such as mining and metals companies, who have enjoyed the free credit. But the change could encourage more business from investment funds attracted by the greater security of a clearing house.

Similarly higher costs could drive more trading companies away from the exchange floor —six out of the 28 companies trading actively a year ago have in any case quit. But again better security might encourage others to take their place. Two of the companies which have ceased trading since the tin crisis—J H Rayner (Mincing Lane), a subsidiary of S & W Berisford, and Holco Trading, part of E. D. & F. Man, said they would reconsider their decisions if the LME brought in a clearing house.

The result might be that the LME's traditional links with the metal trade might weaken, but it might develop stronger contacts with other financial markets, accelerating a change which has been gathering pace over the past 10 or 15 years.

But some LME members will fight hard to maintain as much as they ca nof the exchange's traditional character. They say it is for good reason that the LME has kept its reputation as the world's leading metals market, beating off the challenge of younger rivals such as Comex in New York.

Clearing house or not some things will definitely not change. Twice every day the ring-dealing members will still gather in the trading ring at Plantation House and shout prices at each other, just as their predecessors did when they drew a chalk circle on the floor in 1877.

US oil stocks below last year's level

By Nancy Dunne in Washington

ALONG WITH plunging oil prices, US stocks of distillate and residual fuel oil have fallen below 1985 levels.

According to the American Petroleum Institute, stocks of distillate at the end of last week fell to 98.9m barrels, compared with 106.4m barrels this time in 1985. Stocks of residual sank to 40.2m barrels, more than 6m barrels below last year.

Stocks of crude continued to hover around the 336m barrel mark, the API said, slightly ahead of last year's level.

Meanwhile the API has mounted a campaign to warn Congress that danger lurks within the price plunge.

Meanwhile US petroleum exploration and drilling is still declining. According to API figures the number of oil, gas and dry hole wells completed in the US declined from nearly 90,000 in 1981 to 75,000 last year.

'Softs' restructuring begins

BY RICHARD MOONEY

THE LONDON Commodity Exchange will become a limited company next Tuesday—the first step in the radical restructuring of London's soft (non-metal) commodities markets promised by Mr Saxon Tate after he took over the chairmanship of the Exchange last October.

Announcing the move yesterday Mr Tate, who will retain the title of chairman in the new set-up, said it is the central part of a plan to halt the drift of commodity futures activity away from London, to restore market liquidity and to get London ready for the next market price surge.

"April 1 will come to be seen as only the first, albeit important, step in our programme to maintain and improve London's international position as the major world centre for soft commodity trading, both physical and futures, whilst ultimately developing new and exciting contracts for the international futures industry," he declared.

The new company, to be called LCE (1986), will have greater powers in areas such as marketing policy, business startegy and provision of services than the existing LCE, which is effectively only a trade association. The day-to-day running of the markets will continue to be the responsibility of individual committees of management. These will now be appointed by the new company's Board but in practice, Mr Tate said, their constitution will still be determined by the markets' memberships.

Mr Tate said the reorganisation had the unanimous support of the markets' floor members.

Shares in LCE (1986) are being allotted to members of the existing markets. Most will go to members of the cocoa, coffee and sugar exchanges, which are providing most of the asset value. Trading seats will continue to be bought and sold in the normal way. It will be possible to sell or buy seats without selling or buying shares to go with them.

Mr Tate could give no figure for the capitalisation of LCE (1986). He said there were no plans to seek a quotation but that the company had been set up in a way which would allow the issue of further shares

The formation of the company "enables the LCE to be in the business of running a modern efficient exchange," Mr Tate said.

When he became chairman of the LCE Mr Tate was clearly concerned about its performance over recent years, which have seen it steadily losing ground to the New York and Paris markets. "Trading in London will pick up with the next price surge," he said yesterday. "But once the surge is over we want people to be saying 'this is a good market, perhaps we should keep on trading here'."

LONDON MARKETS

THE COCOA futures market resumed its downward course yesterday. The recent bear trend was interrupted on Tuesday when nearby values were boosted by sterling's weakness against the dollar. But the rise proved shortlived as reports of producer selling led to a £23.50 fall in the May position yesterday which wiped out Tuesday's £19.50 rise and took the price to a fresh 29-month low. At one stage May cocoa had been down the £40 permissible daily limit. In contrast coffee continued in its stronger mood with the May quotation, which gained £25.25 on Tuesday, putting on nearly £70 at one point. The price fell back to close near the day's low at £2,403.50 a tonne, still £14.50 up on the day. Meanwhile sugar resumed its interrupted rise with the nearby positions on the London futures market gaining $8 to $12 a tonne.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	809.5-10	—10.75	810/809
3 months	832.5-3	—10	836/826

Officials closing (am): Cash 810-10.5 (820-1), three months 831.5-2.5 (841-2), settlement 810.5 (821). Final Kerb close 832-3.
Turnover: 13,675 tonnes.

COPPER

Higher grade	Unoffic'l close	+ or —	High/low
Cash	982-3	—15.5	990
3 months	1001.5-2.5	—16.5	1011/1002

Official closing (am): Cash 990-90.5 (992-3), three months 1010.5-1 (1013-4), settlement 990.5 (993). Final Kerb close 1005-5.5.

Cathodes			
Cash	980-3	—17	—
3 months	1000-1	—17.5	—

Official closing (am): Cash 990-1 (991-3), three months 1009-11 (1010-3), settlement 991 (993). Turnover: 20,925 tonnes. US Producer prices 70-76 cents per lb.

LEAD

	Unofficial close(p.m.) £ per tonne	+ or —	High/low
Cash	248.25-8.75	—1.5	249.5/248.5
3 months	256.25-6.75	—1.25	258/255.5

Official closing (am): Cash 249-9.5 (249.5-50), three months 255-6 (255.5-6), settlement 249.5 (250). Final Kerb close: 257-8.
Turnover: 7,300 tonnes. US Spot: 18-20 cents per lb.

NICKEL

	Unofficial close(p.m.) £ per month	+ or —	High/low
Cash	2685-95	—10	—
3 months	2770-5	—5.5	2780/2700

Official closing (am): Cash 2645-55 (2750-69), three months 2725-30 (2835-6), settlement 2655 (2760). Final Kerb close: 2750-5.
Turnover: 1,578 tonnes.
Kuala Lumpur Tin Market: Unavailable (15.70) ringgit per kg.

ZINC

High grade	Unofficial close(p.m.) £ per month	+ or —	High/low
Cash	427.5-8.5	—4.5	426
3 months	438.5-9	—5	441/436

Official closing (am): Cash 425-6 (432.5-3), three months 436-7 (443.5-4), settlement 426 (433). Final Kerb close: 440-40.5.
Turnover: 4,575 tonnes. US Prime Western: 30.50-35.75 cents per lb.

GOLD

Gold fell $2¼ to $345-345½ on the London bullion market yesterday. It opened at $345½-346, the day's high, and was fixed at $344.90 in the morning and $344.30 in the afternoon. The metal touched a low of $342-342½, depressed by a stronger dollar and weaker oil prices.

GOLD BULLION (fine ounce)	Mar. 26	
Close	$345-345½	(£233¾-234¼)
Opening	$345½-346	(£235¼-235¾)
M'n'g fix	$344.90	(£235.716)
Aft'n'n fix	$344.30	(£234.697)

GOLD AND PLATINUM COINS		
Kr'g'r'nd.	$346¾-347¼	(£235½-236¼)
½ Krug.	$180¾ 182	(£122¾-123½)
¼ Krug.	$92.93	(£63½-63¼)
1/10 Krug.	$37¼-38	(£25¼ 25¾)
Mapleleaf	$356¼-356¾	(£241¼-241½)
Angel	$354-356	(£240½ 241½)
1/10 Angel	$36-41	(£24½-27¾)
New Sov.	$83½-84	(£56¾-57)
½NewSov.	$49½-50	(£33½-34)
Old Sov.	$88½-90	(£60-61)
$20 Eagle	$430-470	(£292 319¼)
NoblePlat	$426¾-431¼	(£289¾-293¼)

SILVER

Silver was fixed 9.65p an ounce lower for spot delivery in the London bullion market yesterday at 381.1p. US cent equivalents of the fixing levels were: spot 557c, down 15.65c; three-month 566.45c, down 16.6c; six-month 576.95c, down 16.55c; and 12-month 597.15c, down 17.25c. The metal opened at 380½-382½p (559-561c) and closed at 379½-381½p (560-562c).

SILVER per troy oz	Bullion Fixing Price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	381.10p	—9.65	377.5p	—7
3 months	391.15p	—10.50	389.0p	—5.5
6 months	400.90p	—10.55	—	—
12 months	419.50p	—11.10	—	—

LME—Turnover: 2 (7) lots of 10,000 oz.
Three months high 391p, low 389p, final kerb 389-91p.

RUBBER

PHYSICALS — The London market opened slightly easier, met considerable pressure throughout the day and closed sharply lower, reports Lewis and Peat. Closing prices (buyers): Spot 58.00p (58.50p); May 58.00p (56.50p); June 58.50p (57.00p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg: RRS No 1 was 194.0 (same) and for SMR 20 187.0 (188.5).

INDICES

FINANCIAL TIMES

Mar. 26	Mar. 25	M'th ago	Year ago
—*	—*	—*	294.62

(Base: July 1 1952=100)

REUTERS

Mar. 26	Mar. 25	M'th ago	Year ago
1810.4	1807.9	1817.7	1969.6

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Mar. 25	Mar. 24	Month ago	Year ago
Spot	131.58	131.85	—	119.66
Fut.	131.23	132.01	—	125.58

(Base: December 31 1931=100)
* Not available due to suspension of tin LME

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 26 1986	+ or —	Month ago
METALS			
Aluminium			
Free Market	$1520/540	—15	$1220/240
Copper			
Cash h Grade	£982.5	—15.5	£956.75
3 mths	£1007.0	—16.5	£980.25
Gold Troy oz	$345.25	—2.125	$346.75
Lead Cash	£249.5	—1.5	£248.75
3 mths	£256.5	—1.25	£259.75
Nickel			
Free Mkt	176/196c	—8	194/204c
Palladium oz	$110.50	—3.85	$119.00
Platinum oz	$418.00	—16	£407.50
Quicksilver†	$233/248	......	$250/258
Silver troy oz	381.10p	—9.65	395
3 months	391.15p	—10.5	407.20p
Tin cash	‡	......	‡
3 months	‡	......	‡
Tungsten	$68.61	......	$66.32
Wolfram 22.0lb	$50/56	......	$56/63
Zinc	£429.0	—4.5	£415.5
3 months	£438.75	—5	£427.5
producers	$650/670	......	$650/676
OILS			
Coconut (Phil)	‡	......	$305
Palm Malayan	$262.5v	......	$265
SEEDS			
Copra Phil	$200x	......	$200
Soyabean (U.S.)	‡	......	$221.25
GRAINS			
Barley Fut. Sept	£99.20	+0.50	£116.10
Maize	£146.50x	—1	£143.50
Wheat Fut July	£120.55	+0.35	£118.00
No. 2 Hard Wint.	‡	......	‡
OTHERS			
Cocoa Ft. May	£1415	—23.5	£1548.5
Coffee Ft. May	£2403.5	+14.5	£2688.5
Cotton A Index	50.65c	—0.4	54.30c
Gas Oil May	$132.5	—2.5	$156.85
Rubber (kilo)	58.0p	—0.5	63p
Sugar (raw)	$195.5 zv	—1.5	$148.5
Wooltops 64s	411p kilo	......	428p kilo

In tonnes unless otherwise stated.
‡ Unquoted. † Per 75-lb flask. c Cents a pound. v May. y April-May. z March-April. x April.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle, 95.31p per kg lw (−0.23). GB—Sheep, 248.33p per kg est dcw (+19.10). GB—Pigs, 73.05p per kg lw (−0.78). GB—AAPP, 99.50p per kg dw (−0.04).

Month	PIGMEAT Y'day close	+ or —	BEEF Y'day close	+ or —
	p. per kilo (deadweight)			
April	101.50	—0.60	194.00	—
May	101.50	—0.50	185.00	—
June	101.60	—0.30	—	—
July	101.00	—0.50	—	—
Aug.	100.30	—0.60	184.00	—
Sep.	105.70	—0.10	183.00	—

Pigmeat sales: 7 (7) lots of 50 carcases, 3,250kg.
Beef sales: 8 (5) lots of 20 sides.

COCOA

Following a quiet opening call values eased to new life-of-contract lows. A late rally saw a £25 recovery and the tone was reasonably steady on the final call, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or —	Business Done
March	1411-1415	—8.0	1419-1395
May	1414-1416	—23.5	1443-1398
July	1444-1447	—26.0	1469-1459
Sept.	1472-1474	—29.5	1498-1462
Dec.	1511-1512	—23.0	1532-1495
March	1535-1540	—25.5	1560-1528
May	1555-1565	—23.5	1575-1556

Sales: 4,305 (3,904) lots of 10 tonnes.
ICCO indicator prices (US cents per pound). Daily price for March 26: 91.42 (92.26); five-day average for March 27: 93.90 (95.37).

COFFEE

Prices rallied on mixed commission house trade buying taking. Trade selling at the highs prompted locals to take profits. New York's performance was disappointing and further trade selling pushed levels lower, reports Drexel Burnham Lambert.

COFFEE	Yesterday's Close	+ or —	Business Done
March	2365-75	+35.0	2480-2358
May	2402-05	+14.5	2455-2401
July	2448-50	+7.5	2500-2440
Sept.	2505-10	+21.5	2550-2505
Nov.	2540-60	+25.0	2585-2550
Jan	2575-95	+55.0	2615-2575
Mar.	2585-40	+42.5	2620

Sales: 3,951 (6,175) lots of 5 tonnes.
ICCO indicator prices (US cents per pound) for March 25: Comp daily 1979 195.38 (195.47); 15-day average 204.77 (205.73).

SOYABEAN MEAL

	Yesterday close £ per tonne	+ or —	Business Done
Apr.	133.0-135.4	—0.80	—
June	130.6-131.5	—1.10	132.8-131.6
August	126.5-127.3	—0.89	127.5
October	127.0-127.5	—0.25	127.5-127.4
Dec.	127.8-128.5	—0.45	129.0-128.7
Feb.	128.6-132.0	—1	—
Apr.	129.0-134.0	—0.50	—

Sales: 404 lots of 20 tonnes.

GRAINS

Country and shipper buying interest lifted old crop wheat by 40p. Heavy long liquidation and shipper selling emerged and values eased. One French shipper was noted as a keen buyer of May and seller of July throughout the day. Old crop barley was completely neglected. New crop markets found keen shipper buying interest against aggressive country hedge selling. The market attempted to ease but found good suport to close on one day's highs, reports T. G. Roddick.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
May	118.75	+0.25	116.40	+0.10
July	120.55	+0.35	—	
Sept.	100.60	+0.50	99.80	+0.50
Nov.	103.75	+0.60	102.55	+0.45
Jan	106.95	+0.55	105.75	+0.50

Business done—Wheat: May 118.85-8.65, July 120.65-20.35, Sept 100.50-100.45, Nov 103.75-3.35, Jan 106.95-6.70. Sales: 508 lots of 100 tonnes. Barley: May 116.20, Sept 99.15-9.00, Nov 102.45-2.30, Jan 105.70-5.50. Sales: 84 lots of 100 tonnes.

LONDON GRAINS—Wheat: US Dark Northern Spring No. 1, 15 per cent: May 127.00, June 126.00, transhipment East Coast. US No. 2 Soft Red Winter: June 92.50, July 92.00. EC first-half April 140.50. English feed, fob: April 120.25-120.75 buyer/seller, Sept 102.25, Oct/Dec 107.25, Jan/March 112.25 paid East Coast, 120.25-120.75 buyer/seller, May 121.00 value, May/June 121.50, Sept 120.00 buyers, Oct 104.75-105.00, Oct/Dec 107.00-107.50, Jan/March 112.25-112.75 buyers/sellers. Maize: US No. 3 Yellow/French transhipment East Coast first-half April 140.50. Barley: English feed, fob: April 118.00, May 119.50 sellers, June 119.00 buyer, July/Aug 98.25-98.75, Sept 100.75-101.25 buyers/sellers, Oct-Dec 105.50, Jan/March 110.50 buyers.

HGCA—Locational ex-farm spot prices. Feed barley: Eastern 114.30, E. Mids. 114.00, Scotland 112.10. The UK monetary coefficient for the week beginning Monday, March 31, will be 1.082.

FREIGHT FUTURES

The dry cargo market remained in a narrow range as pre-Easter book-squaring appeared to be the only feature. The physical market fell as the level of enquiry diminished further and tanker futures followed suit as nearby positions again registered losses, reports Clarkson Wolff.

	Close	High/Low	Prev.
Dry Cargo			
April	784/785	784/782	783/784
July	724/725	725/724	723/724
Oct.	832/835	832	832/834
Jan.	848/849	850	848/850
April	915/935	—	900/945
July	800/820	—	795/820
Oct.	900/910	—	885/925
Jan.	870/930	—	870/950
BFI	736.5		739.5

Turnover: 100 (133).

	Close	High/Low	Prev.
Tankers			
Mar.	934/936	965/940	955/9650
April	805/815	810	829/8305
May	780/800	—	795/825
June	780/800	—	790/820
Sept.	980/1000	—	1000/108
Dec.	970/1000	—	1000/102
BTI.	944.5		966.0

Turnover: 28 (44).

SUGAR

LONDON DAILY PRICE—Raw sugar $195.50 (£133.50), down $1.50 (down £1.00) a tonne for March-May delivery. White sugar $214.00, down $2.00.

Reports that recent purchases by the USSR, including whites, totalled from 500,000-700,000 tonnes drove prices higher. New York traded the daily limit up, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne F.O.B.		
May	195.2-196.4	193.2-193.4	200.0-194.0
Aug.	196.4-197.0	197.8-198.0	199.6-197.6
Oct	197.4-187.6	198.8-199.2	200.0-199.2
Dec.	199.8-201.0	199.8-199.4	—
Mar.	206.0-206.4	196.0-199.0	206.2-199.0
May	209.0-209.4	202.0-205.8	—
Aug.	212.0-213.0	205.5-207.4	—

Sales: 4,684 (5,398) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £240.00 (£240.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for Marcr 25: Daily price 7.78 (7.44); 15-day average 6.86 (6.78).

No. 6 cif contract—May 214.0-6.0; Aug 214.0-6.0; Oct 217.0-20.0. Sales: 543 (385) lots of 50 tonnes.

POTATOES

The market opened unchanged and in thin volume traded within a narrow range, picking up towards the close, reports Coley and Harper.

Month	Yesterday's close £ per tonne	Previous close	Business done
Apr	102.80	102.30	102.70-102.80
May	119.00	118.60	119.50-118.00
Nov	83.00	83.40	83.00
Feb	91.00	91.00	—
Apr	106.20	107.30	107.00-106.80

Sales: 385 (781) lots of 40 tonnes.

Earlies—July 96.30, unchanged, 94.00; Aug 75.00, unchanged; Sept 70.00, unchanged. Sales: 7 (10) lots of 10 tonnes.

OIL

Brent traded more actively than on Tuesday with most interest in June and July. Nymex WTI swung within a narrow 20-30c range as bullish API statistics were balanced by depressed post-Opec meeting sentiment. In the petroleum products market gas oil prices fell in line with futures trade while naphtha traders became nervous on lack of buyers. Heavy fuel prices continued to weaken with little short-term trade demand—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	—	—
Arab Heavy	—	—
Dubai	10.55-10.69	—0.15
Brent Blend	12.25-12.35	—0.15
W.T.I. (1pm est)	12.10-12.15 ‡	n/a
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	155-161	—
Gas Oil	160-164	+4
Heavy fuel oil	80-83	—1.5
Naphtha	117-120	—2

‡May
Petroleum Argus estimates
Turnover: 0 (0) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yesterd'ys Close $ US per tonne	+ or —	Business Done
April	147.50	—6.50	156.00-47.25
May	132.50	—2.50	136.75-32.85
June	126.00	—0.75	129.00-25.00
July	124.25	—1.50	127.50-24.00
Aug	126.50	—2.00	128.00-26.50
Sep	129.00	—1.50	130.00-27.75

Turnover: 4,550 (2,963) lots of 100 tonnes.

CRUDE OIL FUTURES—Brent Blend Index. $ a barrel. (Close, change, business done): Index 12.15, +0.14; May 12.00-13.00; June 11.70-13.00; July 11.50-13.40; Aug 12.00-13.50.

US MARKETS

FOLLOWING Tuesday's sharp setback, precious metals attracted dealer buying, reports Heinold Commodities. Copper attracted technical selling early but declines were limited due to the weaker dollar. Sugar reached new contract highs on a constructive weekly EEC sugar tender. After an extremely weak beginning, cocoa attracted trade and arbitrage buying. Coffee touched off buy stops and advanced the daily limit following reports that Brazil is limiting automatic export registrations and is considering the introduction of a retention scheme. Cotton traded mixed on book-squaring ahead of the holiday weekend. Oil continued lower on concern over lack of market support strategy on the part of Opec. Grains and soyabeans were supported on reports of improved export activity due to a weaker dollar.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	58.40	—	—	58.95
April	58.40	—	—	58.40
May	58.40	58.85	58.25	58.95
July	58.75	59.25	58.66	59.30
Sept	59.05	59.50	59.25	59.65
Dec	59.45	59.90	59.40	60.05
Jan	59.60	—	—	60.20
March	59.90	—	—	60.50
May	60.20	—	—	60.80
July	60.50	—	—	61.10

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1924	1965	1940	1918
July	1977	1999	1877	1964
Sept	2010	2035	1935	2005
Dec	2050	2080	1971	2059
March	2085	2085	2015	2083
May	2055	2055	2055	2106

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
May	237.64	240.75	236.25	234.04
July	242.52	245.00	240.75	238.37
Sept	246.94	248.94	242.65	242.94
Dec	250.75	250.75	249.00	246.75
March	253.08	253.08	252.00	249.08
May	255.25	255.25	254.00	251.25
July	256.25	256.25	256.25	252.25

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
March	66.50	66.60	66.50	66.80
April	66.50	—	—	66.85
May	66.80	67.30	66.50	67.10
July	67.30	67.75	67.00	67.50
Sept	67.55	68.00	67.30	67.75
Dec	67.95	68.35	67.70	68.15
Jan	68.05	—	—	68.25
March	68.30	68.80	68.55	68.50
May	68.60	68.90	68.80	68.80
July	68.90	—	—	69.10

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	65.10	65.15	64.35	64.36
July	65.57	65.77	64.86	64.91
Oct	39.48	40.85	39.15	40.60
Dec	39.30	40.78	39.07	40.70
March	40.07	41.40	39.95	41.40
May	40.57	42.20	41.05	41.90
July	40.80	42.70	42.70	42.15

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	High	Low	Prev
May	12.05	12.35	12.05	12.25
June	12.28	12.65	12.25	12.62
July	12.37	12.78	12.35	12.79
August	12.50	12.90	12.48	12.96
Sept	12.65	13.10	12.60	13.13
Oct	12.85	13.00	12.90	13.30
Nov	13.05	13.55	13.05	13.47
Dec	13.25	13.70	13.22	13.64
Jan	13.40	13.80	13.50	13.69
Feb	13.30	13.97	13.30	13.74

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
April	47.00	48.50	46.55	48.23
May	40.35	42.00	40.10	42.17
June	38.70	39.90	38.30	39.81
July	38.65	39.50	38.25	39.61
August	38.70	39.75	38.70	39.75
Sept	39.60	40.25	39.65	40.30
Oct	40.45	41.05	40.45	41.10
Nov	41.65	41.65	41.30	41.90
Dec	42.60	42.75	42.20	42.70
Jan	42.80	—	—	43.30

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	93.40	94.45	92.90	93.95
July	92.50	93.50	92.10	93.30
Sept	89.90	91.00	89.75	90.50
Nov	89.70	90.20	89.50	90.40
Jan	89.35	89.00	89.00	89.25
March	89.60	91.00	89.25	90.25
May	89.80	90.50	90.50	90.45
July	90.05	—	—	90.85

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	417.1	420.0	412.5	417.8
July	422.3	425.8	418.0	423.0
Oct	424.7	427.0	420.5	425.1
Jan	427.1	429.0	424.0	427.2
April	429.5	429.0	425.0	429.4

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
March	344.4	343.5	343.5	343.8
April	344.7	345.8	341.3	344.0
May	346.5	—	—	345.8
June	348.5	355.5	345.5	347.7
August	352.2	353.3	348.5	351.4
Oct	355.7	356.2	352.6	354.8
Dec	359.5	359.7	356.5	358.6
Feb	363.4	363.0	362.5	362.5
April	367.0	—	—	366.1
June	370.8	—	—	369.9
August	374.8	—	—	373.9
Oct	379.0	—	—	378.1
Dec	383.4	383.0	383.0	382.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	560.3	561.0	557.5	556.3
April	560.5	—	—	557.0
May	564.0	565.5	559.5	560.5
July	571.0	572.0	566.5	567.5
Sept	578.1	580.0	574.0	574.8
Dec	588.6	590.0	584.5	585.2
Jan	592.3	594.0	594.0	589.0
March	599.4	601.0	598.0	596.1
May	606.8	607.5	606.0	603.6
July	614.3	—	—	611.2

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	8.75	8.83	8.25	8.19
July	8.81	8.89	8.40	8.28
Sept	8.80	8.88	8.48	8.38
Oct	8.86	8.95	8.58	8.46
Jan	9.05	8.70	8.70	8.60
March	9.23	9.35	9.03	8.86
May	9.41	9.49	9.20	8.99
July	9.51	9.60	9.40	9.16

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	58.62	59.25	58.45	59.30
June	58.95	60.40	58.92	60.37
August	58.05	58.20	57.52	58.75
Oct	56.95	57.20	56.90	57.05
Dec	58.30	58.40	58.15	59.35
Feb	58.50	58.50	58.30	58.60
April	59.00	60.00	50.00	59.00

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	41.57	41.90	41.42	41.82
June	45.20	45.85	45.07	45.55
July	45.45	45.90	45.25	45.90
August	44.20	44.67	44.17	44.82
Oct	41.00	41.30	41.00	41.20
Dec	42.22	42.50	42.10	42.42
Feb	42.42	43.00	42.35	42.70
April	39.65	—	39.65	39.92
June	42.10	42.10	42.05	42.10

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	57.02	58.95	57.25	58.92
July	58.82	59.95	58.35	60.07
August	57.77	58.85	57.40	58.80
Feb	61.70	61.85	61.30	61.70
May	62.50	62.50	—	62.30

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	234.2	234.6	232.4	232.4
July	230.0	230.0	228.2	227.2
Sept	211.6	211.8	210.2	209.6
Dec	206.6	206.2	206.2	204.6
March	215.0	215.6	215.0	214.2
May	219.4	220.2	219.2	218.6
July	221.0	221.4	220.6	220.0

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	536.0	536.4	534.0	534.2
July	536.6	537.0	533.0	533.2
August	535.4	536.0	531.0	531.0
Sept	521.4	522.4	518.0	516.4
Nov	518.4	518.6	513.4	513.0
Jan	527.4	527.6	523.0	521.0
March	537.4	538.0	533.0	532.2
May	545.0	545.0	540.0	540.0
July	550.0	550.0	546.0	544.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	155.3	157.1	155.2	156.9
July	155.2	156.8	155.2	156.4
August	155.4	156.3	155.3	156.0
Sept	151.0	152.2	151.0	151.5
Oct	146.6	147.2	146.5	146.7
Dec	147.9	148.2	147.0	147.3
Jan	149.2	—	—	148.2
March	150.0	—	—	150.7

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	18.90	18.95	18.05	18.00
July	19.24	19.29	18.45	18.30
August	19.32	19.34	18.55	18.43
Sept	19.32	19.35	18.65	18.47
Oct	19.30	19.35	18.70	18.55
Dec	19.75	19.80	19.10	18.95
Jan	19.87	—	—	19.15
March	20.20	20.20	19.70	19.50
May	20.45	—	—	19.80

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	308.4	311.4	304.4	311.6
July	251.0	253.0	246.4	250.6
Sept	252.2	253.4	249.0	252.0
Dec	262.4	262.6	258.0	260.2
March	264.0	265.0	261.0	262.4

SPOT PRICES—Chicago loose lard 12.00 (same) cents per pound. Handy and Harman silver bullion 561.0 (564.0) cents per troy ounce.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar slips in erratic trade

The dollar traded erratically in a volatile foreign exchange market yesterday. The US currency was strong initially, but failed to consolidate above a technical resistance point of around DM 2.3550. Dealers eventually became concerned that the sharp rise in the dollar this week was overdone, and not justified by economic fundamentals. Today's US February trade figures are expected to be a slight improvement over January's record deficit of $16.46bn, but will continue to show a very large shortfall, with market forecasts in the region of $14bn. On a lack of new factors, and in a market lacking direction, dealers moved to cover positions ahead of the long Easter holiday and the end of the quarter.

This brought the dollar back sharply to close at DM 2.33 compared with DM 2.3385; FFr 7.1675 against FFr 7.1725; SFr 1.9550 compared with SFr 1.9590; and Y179.80 against Y180.20. On Bank of England figures the dollar's index fell to 119.5 from 119.7.

STERLING — Trading range against the dollar in 1985-86 is 1.5115 to 1.0525. February average 1.4297. Exchange rate index rose 0.6 to 76.0, compared with 82.0 six months ago.

Sterling shrugged off a depressed oil market, and closed stronger against the dollar and other major currencies. The high differential in favour of London interest rates helped the pound gain 1.30 cents to close at $1.4745-1.4755. Sterling also rose to DM 3.4375 from DM 3.4175; FFr 10.5725 from FFr 10.4875; SFr 2.8825 from SFr 2.8650; and Y265.25 from Y263.50. The rather disappointing UK February trade figures, showing a deficit of £338m, and a current account surplus of £262m, had little or no affect on the market.

D-MARK — Trading range against the dollar in 1985-86 is 3.4510 to 2.1990. February average 2.3310. Exchange rate index 132.6 against 128.0 six months ago.

The D-mark fluctuated quite sharply against the dollar in Frankfurt yesterday. The dollar opened firm at DM 2.3440 and rose to an early peak of DM 2.3555, but failed to hold above a technical resistance level, and fell back to close at DM 2.33575 compared with DM 2.3320 on Tuesday. News of a fall in West German inflation of 0.2 per cent in March from February was expected and had no impact. The Bundesbank did not intervene when the dollar was fixed at DM 2.3506 in Frankfurt, compared with DM 2.3132. In the absence of new factors trading was largely technical, with dealers squaring positions ahead of Easter and the end of the quarter.

JAPANESE YEN — Trading range against the dollar in 1985-1986 is 263.15 to 175.00. February average 184.545. Exchange rate index 193.8 against 165.7 six months ago.

The yen eased against the dollar in featureless Tokyo trading. The US currency closed at Y180.10, compared with Y179.60 on Tuesday, but was slightly below the New York finish of Y180.25. Commercial orders tended to dominate the market, as dealers were reluctant to open new positions ahead of the long Easter holiday in Europe and the US, and the end of the Japanese financial year on March 31. Fighting between the US and Libya in a disputed area of the Mediterranean had little impact on trading. Buying of the yen against the D-mark and Swiss franc was noted, as European currencies weakened. The D-mark fell to Y76.90 from Y77.66 and the Swiss franc to Y91.94 from Y92.70.

£ IN NEW YORK

Close	Mar. 26	Prev. close
£ Spot	$1.4740 4750	$1.4645-1.4655
1 month	0.59-0.56pm	0.58-0.57pm
3 months	1.47-1.43pm	1.46-1.44pm
12 months	3.97-3.87pm	3.95-3.90pm

Forward premiums and discounts apply to the US dollar

POUND SPOT—FORWARD AGAINST POUND

March 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4610-1.4775	1.4745-1.4755	0.53-0.50c pm	4.19	1.39-1.35pm	3.72
Canada	2.0504-2.0700	2.0670-2.0700	0.08c pm-0.03dis	-0.15	0.32-0.17pm	0.48
Nethlnd.	3.87½-3.88½	3.87½-3.88½	2-1⅞c pm	6.01	5¾-5⅝pm	5.89
Belgium	70.25-70.86	70.40-70.50	8c pm-2dis	-0.51	25-12pm	1.08
Denmark	12.66½-12.75¼	12.65-12.66	3½-2½ore pm	2.65	8½-7¼pm	2.55
Ireland	1.1325-1.1405	1.1360-1.1370	0.35-0.50p dis	-4.49	0.85-0.95dis	-2.82
W. Ger.	3.42-3.44¼	3.43½-3.44½	2½-2pf pm	7.22	5½-5¼ pm	6.64
Portugal	220½-223	221-222½	165-470c dis	-17.16	510-1330d	-16.58
Spain	215.06-216.16	215.72-216.09	5-50c dis	-1.53	50-170dis	-2.05
Italy	2,330½-2,343	2,333½-2,334½	10-13lire dis	-5.93	25-29dis	-4.64
Norway	10.65½-10.71	10.65½-10.66½	⅞-1½ore dis	-1.33	4½-5dis	-2.08
France	10.54½-10.58½	10.56½-10.57½	3½-5c dis	-4.98	4½-6½dis	-2.14
Sweden	10.75½-10.85½	10.75½-10.76½	1½-½ore pm	1.11	1½-1¼pm	0.58
Japan	263½-265½	264½-265½	1.41-1.31y pm	6.18	3.94-3.77pm	5.84
Austria	24.07-24.18	24.09-24.14	15½-13⅞gro pm	7.33	37-33pm	5.82
Switz.	2.87½-2.89½	2.87½-2.88½	1⅞-1¾c pm	7.56	5¼-5⅛pm	7.22

Belgian rate is for convertible francs. Financial franc 71.55-71.65. Six-month forward dollar 2.22-2.17c pm. 12-month 3.80-3.65c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

March 26	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4610-1.4775	1.4745-1.4755	0.53-0.50c pm	4.19	1.39-1.35pm	3.72
Ireland†	1.2830-1.2980	1.2950-1.2960	1.20-0.90c pm	9.81	2.80-2.15pm	7.71
Canada	1.4015-1.4065	1.4015-1.4025	0.46-0.50c dis	-4.10	1.16-1.21dis	-3.38
Nethlnd.	2.6210-2.6585	2.6310-2.6320	0.45-0.42c pm	1.98	1.29-1.26pm	1.92
Belgium	47.70-48.25	47.70-47.80	13-18c dis	-3.87	29-36dis	-2.70
Denmark	8.57½-8.68½	8.57½-8.58½	1-1½ore dis	-1.55	2½-2¾dis	-1.21
W. Ger.	2.3230-2.3565	2.3295-2.3305	0.56-0.51pf pm	2.73	1.67-1.62pm	2.80
Portugal	151-153	151-152	160-330c dis	-19.22	425-950dis	-17.97
Spain	146.45-147.62	146.50-146.70	60-110c dis	-6.92	175-250dis	-5.77
Italy	1,580-1,602	1,582-1,583	10-12lire dis	-8.26	28-30dis	-7.28
Norway	7.22¼-7.31	7.22¼-7.22¾	3¼-3½ore dis	-5.54	10-10¼dis	-5.54
France	7.15-7.23½	7.16½-7.17	5-5½c dis	-8.92	9-10½dis	-5.39
Sweden	7.29½-7.40	7.29¼-7.29¾	1½-2½ore dis	-3.24	5½-6½dis	-3.24
Japan	179.60-180.90	179.75-179.85	0.32-0.28y pm	1.99	0.95-0.91pm	2.06
Austria	16.33½-16.53½	16.36-16.37	4-3gro pm	2.54	9-7pm	1.94
Switz.	1.9510-1.9735	1.9545-1.9555	0.62-0.57c pm	3.62	1.77-1.72pm	3.54

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.50-48.60.

EXCHANGE CROSS RATES

Mar.26	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.475	3.438	265.3	10.57	2.885	3.883	2534.	2.069	70.45
$	0.678	1.	2.330	179.8	7.168	1.955	2.632	1583.	1.402	47.75
DM	0.291	0.429	1.	77.16	3.076	0.839	1.129	679.1	0.602	20.49
YEN	3.770	5.561	12.96	1000.	39.86	10.87	14.64	8800.	7.798	265.6
F Fr.	0.946	1.395	3.251	250.9	10.	2.726	3.672	2208.	1.956	66.64
S Fr.	0.347	0.512	1.193	92.02	3.668	1.	1.347	809.8	0.718	24.44
H Fl.	0.258	0.380	0.886	68.32	2.723	0.742	1.	601.2	0.533	18.15
Lira	0.428	0.632	1.473	113.6	4.529	1.235	1.663	1000.	0.886	30.18
C $	0.483	0.713	1.662	128.2	5.111	1.394	1.877	1128.	1.	34.06
B Fr.	1.419	2.094	4.879	376.5	15.01	4.092	5.511	3313.	2.936	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

Mar. 26	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	12⅛-12¼	12-12¼	11⅞-11⅝	11⅝-11½	10⅞-10⅞	10⅜-10½
U.S. Dollar	7⅜-7½	7⅛-7⅜	7⅛-7⅜	7⅛-7⅜	7⅜-7½	7⅜-7½
Can Dollar	11¾-12	11¼-11¾	10¾-11	10⅜-10⅞	9⅞-10⅛	9¾-10
D Guilder	5½-5⅝	5½-5⅝	5½-5⅝	5⅜-5⅝	5⅜-5⅝	5⅜-5⅝
Sw. Franc	2-2¼	12⅛-12⅜	3⅛-4⅛	3⅛-4⅛	3⅛-3⅜	3¾-3⅞
Deutschmrk	5¼-5⅜	5⅜-5½	4⅜-4⅛	4½-4⅝	4½-4⅝	4½-4⅝
Fr. Franc	13-17	15-18	15⅛-16	12¼-13	11⅛-11⅝	10-10¼
Italian Lira	14-16	16½-17½	16¼-17¼	15-15¾	14⅝-14⅞	13⅞-14⅝
B.Fr.(Fin)	9¾-10	9¾-10	9¾-10	9⅝-9⅞	8¾-9	8½-8⅝
B.Fr.(Con)	10¼-10¾	11½-13½	11 12	10-10½	9-9½	8½-9
Yen	5⅜-5⅞	5⅞-5½	5⅛-5⅝	5⅛-5⅝	5⅛-5⅛	5⅛-5⅛
D. Krone	8½-9	8¾-9¼	9-9½	8½-9	8¼-8¾	8¼-8¾
Asian $ (Sng)	—	7⅛-7⅞	7½-7⅝	7⅜-7½	7⅜-7½	7⅜-7½

Long-term Eurodollars: two years 7⅜-7½ per cent; three years 7⅝-8 per cent; four years 8-8¼ per cent; five years 8⅛-8¼ per cent nominal. Short-term rates are call for US dollars and Japanese yen; others two days' notice.

CURRENCY MOVEMENTS

Mar. 26	Bank of England Index	Morgan Guaranty Change %
Sterling	76.0	-15.0
U.S. dollar	119.5	+10.0
Canadian dollar	78.6	-12.5
Austrian schilling	124.1	+6.6
Belgian franc	93.5	-8.8
Danish Kroner	84.4	-2.6
Deutsche mark	132.6	+13.0
Swiss franc	163.5	+13.6
Guilder	122.3	+7.9
French franc	70.7	-11.0
Lira	45.9	-18.4
Yen	193.8	+48.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

March 26	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.774925	0.632168
US $	7	1.13295	0.925178
Canadian $	10.59	*	1.29849
Austria Sch	4	18.6935	15.8423
Belgian Fr	9¾	54.5737	44.4756
Danish Kr	7	9.82145	8.00973
D'mark	3½	N/A	2.17167
Guilder	4½	3.00796	2.45117
French Fr	9½	8.18889	6.67655
Lira	15½	N/A	1476.58
Yen	4	203.986	165.995
Norway Kr	8	8.28179	6.76768
Span'h Pta.	—	167.109	136.232
Swedish Kr	8½	N/A	6.83337
Swiss Fr	4	8.23212	1.81983
Greek Drch	20½	165.285	134.632
Irish Punt	—	N/A	0.718585

*C$/SDR rate for March 24: 1.60817.

OTHER CURRENCIES

Mar. 26	£	$
Arg'tina	1.1720-1.1743	0.8000-0.8010
Aus'alia	2.0590-2.0630	1.4045-1.4060
Brazil	20.1750-20.2300	13.77-13.84
Finland	7.6555-7.6745	5.2315-5.2335
Greece	211.00-216.50	144.34-147.26
H'kong	11.4495-11.4585	7.8150-7.8170
Iran	120.25*	80.55*
Kuwait	0.4275-0.4285	0.29055-0.29085
Lux'burg	70.40-70.50	47.70-47.80
Malaysia	3.7680-3.7720	2.5650-2.5700
N'Z'land	2.7420-2.7520	1.8710-1.8760
Saudi Ar.	5.5725-5.3790	3.6500-3.6515
Sin'pore	3.1805-3.1870	2.1690-2.1720
S.Af. (Cm)	3.1300-3.1405	2.1345-2.1415
S.Af. (Fn)	4.5830-4.7510	3.1250-3.2260
U.A.E.	5.4040-5.4125	3.6715-3.6745

* Selling rate.

STERLING INDEX

	Mar 25	Previous
8.30 am	76.0	75.6
9.00 am	76.0	75.3
10.00 am	76.0	75.3
11.00 am	76.0	75.3
Noon	75.9	75.4
1.00 pm	76.0	75.4
2.00 pm	76.0	75.5
3.00 pm	75.9	75.4
4.00 pm	76.0	75.4

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu March 26	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.4756	-0.79	+1.19	±1.5425
Danish Krone	8.12857	8.00973	-1.46	+0.52	±1.6421
German D-mark	2.23840	2.17167	-2.98	-1.00	±1.1455
French Franc	6.86402	6.67655	-2.73	-0.75	±1.3654
Dutch Guilder	2.52208	2.45117	-2.81	-0.83	±1.5162
Irish Punt	0.724578	0.718585	-0.83	+1.15	±1.6673
Italian Lira	1520.60	1476.58	-2.89	-1.86	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FINANCIAL FUTURES

Sterling prices up

Prices were firmer in the London International Financial Futures Exchange yesterday, mostly on shortcovering and partly on the pound's overall improvement. Trading volume was reasonable considering the proximity of the long Easter weekend with the pound's recovery and a desire not to run short over the four day break merging to generate a respectable level of business.

Three-month sterling deposits opened at 90.05 for June delivery and rose on short covering as the long weekend also coincided with the end of the month and quarter. It touched an early high of 90.14 before settling into a range of 90.10-90.12 for much of the day. However with sterling's rise providing a steady base and cash rates a little easier in places, there was a late squeeze on some positions and values were pushed to a high of 90.18 before closing at 90.17 up from 89.94 on Tuesday.

Long gilts performed in much the same way, opening at 123-12 for June delivery and touching 124-07 around lunchtime before moving further ahead to touch a high of 125-05. It closed at 125-03, up from 122-21.

US Treasury bonds opened at 97-21 for June delivery and briefly tested a low of 97-18 but this attracted too many buyers and prices came back to 98-05 in gradual stages. It closed at 98-03 up from 97-12 and was higher still in later Chicago trading.

Euro-dollar prices traded in a very narrow band, meeting resistance after a brief attempt to move above the recent trading range.

LIFFE LONG GILT FUTURES OPTIONS

Strike price	Calls—Last June	Sept	Dec	Mar	Puts—Last June	Sept	Dec	Mar
116	9.33	11.21	—	—	0.27	1.53	—	—
118	7.52	9.57	—	—	0.46	2.25	—	—
120	1.17	8.35	—	—	1.11	3.03	—	—
122	4.56	7.21	—	—	1.50	3.63	—	—
124	3.44	6.15	—	—	2.38	4.47	—	—
126	2.45	5.16	—	—	3.39	5.48	—	—

Estimated volume total, Calls 1,344 Puts 255
Previous day's open int, Calls 6,427 Puts 1,495

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike price	Calls—Last June	Sept	Dec	Mar	Puts—Last June	Sept	Dec	Mar
92	6.17	6.22	—	—	0.11	0.62	—	—
94	4.35	4.59	—	—	0.29	1.35	—	—
96	3.03	3.45	—	—	0.61	2.21	—	—
98	1.57	2.44	—	—	1.51	3.20	—	—
100	1.04	1.57	—	—	2.62	4.35	—	—
102	0.34	—	—	—	4.28	—	—	—

Estimated volume total, Calls 319 Puts 147
Previous day's open int, Calls 389 Puts 356

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike price	Calls—Last April	May	June	Sept	Puts—Last April	May	June	Sept
1.20	—	—	27.18	—	—	—	0.01	—
1.25	22.18	—	22.18	22.18	0.00	—	0.07	0.56
1.30	17.18	17.18	17.18	17.18	0.00	0.08	0.26	1.20
1.35	12.18	12.18	12.18	12.33	0.01	0.37	0.78	2.28
1.40	7.18	7.57	7.86	8.88	0.19	1.18	1.91	3.93
1.45	3.14	4.28	4.80	6.26	1.22	2.89	3.86	6.21
1.50	0.89	2.08	2.65	4.17	3.97	5.69	6.70	9.12

Estimated volume total, Calls 200 Puts 50
Previous day's open int, Calls 4,658 Puts 6,600

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike price	Calls—Last April	May	June	Sept	Puts—Last April	May	June	Sept
1.20	—	—	26.90	—	—	—	0.15	—
1.25	—	—	21.90	21.90	—	—	0.20	0.70
1.30	—	—	17.00	18.90	—	—	0.40	1.40
1.35	11.90	12.00	12.00	12.60	0.10	0.60	1.05	2.40
1.40	6.90	7.50	7.70	9.00	0.40	1.40	2.15	4.10
1.45	3.25	3.95	4.75	6.10	1.35	3.35	4.20	6.50
1.50	0.85	2.00	2.80	4.10	4.60	6.20	7.15	9.40

Previous day's open int, Calls 3,794 Puts 7,180
Volume 325

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike price	Calls—Last April	May	June	Sept	Puts—Last April	May	June	Sept
1.20	—	—	—	—	—	—	—	—
1.25	—	—	—	—	—	—	—	—
1.30	—	—	—	—	—	—	—	—
1.35	—	—	—	—	—	—	—	—
1.40	—	—	7.50	—	—	1.20	—	—
1.45	—	—	4.50	—	1.20	—	3.95	—
1.50	0.85	—	2.80	—	—	—	6.75	—

Previous day's open int, Calls 56,079 Puts 42,509
Previous day's volume, Calls 6,214 Puts 3,187

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike price	Calls—Last June	Sept	Dec	Mar	Puts—Last June	Sept	Dec	Mar
90.00	2.81	—	—	—	0.00	—	—	—
90.50	2.31	2.31	—	—	0.00	0.00	—	—
91.00	1.81	1.82	—	—	0.00	0.01	—	—
91.50	1.31	1.34	1.30	—	0.00	0.03	0.11	—
92.00	0.83	0.89	0.90	—	0.02	0.08	0.21	—
92.50	0.41	0.51	0.56	—	0.10	0.20	0.37	—
93.00	0.13	0.24	0.31	—	0.32	0.43	0.62	—

Previous day's open int, Calls 2,401 Puts 1,803
Volume 0

CHICAGO

US TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
June	98-00	98-05	97-19	97-13
Sept	97-08	97-12	96-27	96-20
Dec	96-19	96-22	96-05	95-29
March	96-00	96-00	95-17	95-08
June	95-09	95-09	95-00	94-20
Sept	—	—	—	—
Dec	94-07	94-07	93-30	93-18
March	—	—	—	93-03
June	—	—	—	92-21
Sept	—	—	—	—
Dec	—	—	—	91-28

US TREASURY BILLS (IMM) $1m
points of 100%

	Latest	High	Low	Prev
June	93.88	93.90	93.87	93.89
Sept	93.92	93.93	93.91	93.92
Dec	93.84	93.85	93.83	93.84
March	—	—	—	93.69
June	—	—	—	93.55
Sept	—	—	—	93.43
Dec	—	—	—	93.31
March	—	—	—	93.19

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	92.85	92.85	92.85	92.85
June	93.10	93.10	93.10	93.11
Sept	—	—	—	93.08
Dec	—	—	—	92.96

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	92.81	92.82	92.80	92.80
Sept	92.80	92.80	92.78	92.78
Dec	92.68	92.69	92.67	92.66
March	92.51	92.51	92.49	92.48
June	92.37	92.37	92.34	92.32
Sept	92.24	92.24	92.20	92.17
Dec	92.12	92.12	92.11	92.04
March	92.00	92.00	90.00	91.92

LONDON

20-YEAR 12% NOTIONAL GILT £50,000
32nds of 100%

	Close	High	Low	Prev
June	125-03	125-05	123-10	122-21
Sept	125-16	125-12	123-31	123-00
Dec	125-14	124-02	124-00	122-30
March	125-10	123-28	123-28	122-11

Est volume 8,689 (8,958)
Previous day's open int 9,700 (9,892)
Basis quote (clean cash price of 13% Treasury 2004/08 less equivalent price of near futures contract) -4 +04 (32nds)

10% NOTIONAL SHORT GILT £100,000
64ths of 100%

	Close	High	Low	Prev
June	100-56	100-60	100-20	99-58

Est volume 390 (443)
Previous day's open int 783 (806)

THREE-MONTH STERLING £500,000
points of 100%

	Close	High	Low	Prev
June	90.17	90.18	90.05	89.94
Sept	90.56	90.57	90.49	90.34
Dec	90.78	90.78	90.72	90.56
March	90.90	90.90	90.82	90.68
June	90.90	90.87	90.85	90.68

Est volume 3,998 (4,771)
Previous day's open int 15,247 (15,215)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
March	165.85	166.05	164.50	164.45
June	169.20	169.20	167.10	166.45
Sept	171.20	—	—	168.45

Est volume 450 (727)
Previous day's open int 1,802 (1,820)

THREE-MONTH EURODOLLAR $1m
points of 100%

	Close	High	Low	Prev
June	92.81	92.81	92.79	92.81
Sept	92.81	92.81	92.78	92.80
Dec	92.69	92.69	92.67	92.68
March	92.51	92.51	92.50	92.51
June	92.34	—	—	92.34
Sept	92.19	—	—	92.19
Dec	92.05	—	—	92.05

Est volume 1,064 (2,785)
Previous day's open int 16,796 (17,165)

US TREASURY BONDS 8% $100,000
32nds of 100%

	Close	High	Low	Prev
June	98-03	98-05	97-18	97-12
Sept	97-12	97-11	96-31	96-22
Dec	96-21	96-05	96-05	84-26

Est volume 3,315 (5,119)
Previous day's open int 5,508 (5,549)

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4750	1.4659	1.4651	1.4531	1.4378

IMM—STERLING $s per £

	Latest	High	Low	Prev
June	1.4605	1.4620	1.4505	1.4520
Sept	1.4520	1.4520	1.4430	1.4430
Dec	1.4440	1.4440	1.4385	1.4330

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.4595	1.4615	1.4505	1.4435
Sept	1.4505	1.4430	1.4430	1.4340
Dec	1.4425	—	—	1.4260

Est volume 383 (663)
Previous day's open int 2,350 (1,842)

MONEY MARKETS

UK rates steady on better pound

Interest rates were little changed in London yesterday but took heart from sterling's better performance. Three-month interbank money was quoted at 11⅞-11⅞ per cent unchanged from Tuesday. Overnight money traded between a high of 12¼ per cent and a low of 9 per cent. There appeared to be little incentive to move rates outside recent ranges ahead of the Easter break and after earlier hints from the authorities to slow the downward pace. Today may see the market faced with a few more complications than usual with the long weekend taking in the end of the quarter.

The Bank of England forecast a shortage of around £950m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £182m and the unwinding of previous sale and repurchase agreements a further £637m. Another £884m was taken on expiring gilt repurchase agreements, £165m on a rise in the note circulation and £60m as banks brought forward balances below target. These were partly offset by Exchequer transactions which added £985m.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £789m and comprised outright purchases of £1m of local authority bills and £15m of eligible bank bills in band 1 at 11⅞ per cent and £357m of eligible bank bills in band 2 at 11⅞ per cent. In band 3 it bought £402m of eligible bank bills at 11½ per cent and £14m in band 4 at 11⅞ per cent. The shortage was revised before taking into account the early help to £1,000m and the Bank gave additional help in the morning of £123m. This comprised outright purchases of £64m of eligible bank bills in band 2 at 11⅞ per cent, £55m in band 3 at 11½ per cent and £4m in band 4 at 11⅞ per cent.

The forecast was revised once more, this time to a shortage of around £950m and the Bank gave assistance in the afternoon of £45m comprising purchases of £25m of eligible bank bills in band 2 at 11⅞ per cent and £20m in band 3 at 11½ per cent. Late help came to £40m, making a total of £997m.

UK clearing banks base lending rate 11½ per cent since March 19

FT LONDON INTERBANK FIXING

(11.00 a.m. March. 26)

Three months US dollars		Six months US dollars	
bid 7 7/16	offer 7 9/16	bid 7 1/8	offer 7 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

NEW YORK RATES
(Lunchtime)

Prime rate	9
Broker loan rate	8¼-8½
Fed funds	7⅞
Fed funds at intervention	—
Treasury Bills & Bonds	
One month	6.31
Two month	6.55
Three month	6.60
Six month	6.75
One year	6.89
Two year	7.08
Three year	7.19
Four year	7.28
Five year	7.37
Seven year	7.55
10 year	7.63
30 year	7.83

LONDON MONEY RATES

Mar. 26	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	9-12½	12-12¼	11⅞-11⅞	[illegible]	[illegible]	[illegible]
Sterling CDs	—	—	11¾-11⅞	[illegible]	[illegible]	[illegible]
Local Authority Depos	11⅞-12¼	11¾-11⅞	11¾	[illegible]	[illegible]	[illegible]
Local Author'y Bonds	—	—	12½	[illegible]	[illegible]	[illegible]
Discount Mkt Depos	10-12	11¾	11½	[illegible]	[illegible]	[illegible]
Company Depos	11-12¼	12-12¼	11⅞-12	[illegible]	[illegible]	[illegible]
Finance House Depos	—	—	11⅞	[illegible]	[illegible]	[illegible]
Treasury Bills (Buy)	—	—	11⅜	[illegible]	[illegible]	[illegible]
Bank Bills (Buy)	—	—	11⅜	[illegible]	[illegible]	[illegible]
Fine Trade Bills (Buy)	—	—	12	[illegible]	[illegible]	[illegible]
Dollar CDs	—	—	7.30-7.35	[illegible]	[illegible]	[illegible]
SDR Linked Depos	—	—	8-8¼	[illegible]	[illegible]	[illegible]
ECU Depos	—	—	10⅛-10⅛	[illegible]	[illegible]	[illegible]

Treasury Bills (sell): one-month 11¼ per cent; three-months 10¾ per cent. Bank Bills (sell): one-month 11⁹⁄₃₂ per cent; three-months 11 per cent. Treasury Bills: Average tender rate of discount 10.7631 per cent. ECGD Fixed Finance Scheme IV reference date February 5 to March 4 (inclusive): 12.854 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 13 per cent from March 1 1986. Bank Deposit Rate for sums at seven days' notice 5½-6 per cent. Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11¼ per cent; one-three months 11¼ per cent; three-six months 11 per cent; six-nine months 11 per cent; nine-12 months 10½ per cent. Under £100,000 10½ per cent from March 25. Deposits held under Series 5 10¼ per cent. Deposits withdrawn for cash 7 per cent.

MONEY RATES

March 26	Ov'r-night	One Month	Two Months	Three Months	Six Months	Lombard Inv'tin
Frankfurt	5.4-5.6	4.65-4.80	4.55-4.70	4.55-4.70	4.55-4.70	5.5
Paris	8⅛	8½-8⅞	8¼-8⅜	8⅞-8⅞	8-8⅛	8¼
Zurich	⅞-1⅛	4-4⅛	—	3⅞-4	—	—
Amsterdam	5⅜-5½	5½-5⅝	—	5⅜-5½	—	—
Tokyo	5.65625	5.65625	—	5.34375	—	—
Milan	16⅜-16¾	15⅝-16	—	15¼-15⅝	—	—
Brussels	8.55	9¾-9⅞	—	9⅝-9¾	—	—
Dublin	14½-14¾	15⅝-15⅞	15⅛-15⅜	14⅞-14⅜	12¼-12¾	—

Legal Notices

IN THE MATTER OF
VIC FANS (UK) LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Creditors of the abovenamed Company, which is being voluntarily wound up, are required, on or before the 19th day of May, 1986 to send in their full Christian and Surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

SURJIT KUMAR SINGLA, F.C.A.,
of Singla & Co.,
Chartered Accountants,
of New Broad Street House,
35 New Broad Street,
London EC2M 1NH

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

DATED this 18th day of March, 1986.
S. K. SINGLA, F.C.A.
Liquidator.

TROJAN BROOK LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act, 1985, that a Meeting of the Creditors of TROJAN BROOK LIMITED, will be held at the offices of

LEONARD CURTIS & PARTNERS,
46 Rodney Street,
Liverpool L1 9AA

on Wednesday the 2nd day of April, 1986 at 12.00 o'clock Midday for the purposes provided for in Sections 589 and 590.

Dated the 14th day of March, 1986,
M. ELLIS, Director

IN THE MATTER OF
OCTAGON INTER TRADE LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Creditors of the abovenamed Company, which is being voluntarily wound up, are required, on or before the 28th day of April, 1986 to send in their full Christian and Surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned

SURJIT KUMAR SINGLA, F.C.A.,
of Singla & Co.,
Chartered Accountants,
of New Broad Street House,
35 New Broad Street,
London EC2M 1NH

the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

DATED this 20th day of March, 1986.
S. K. SINGLA, F.C.A.
Liquidator.

THE COMPANIES ACT 1985
WELSEL MODERN FURNITURE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to Section 588 of the Companies Act 1985, that a Meeting of the Creditors of the abovenamed Company will be held at The Bonnington Hotel, Southampton Row, WC1 on Wednesday, the second day of April 1986 at 11.00 o'clock in the forenoon for the purposes mentioned in Sections 589 and 590 of the said Act.

DATED this 17th day of March 1986.
By Order of the Board
C. LEWIS, Director

Contracts and Tenders

ANNOUNCEMENT FROM

EREGLI IRON AND STEEL WORKS CO.
ERDEMIR, TURKEY

1. Approximately 400,000 metric tonnes of low volatile and 400,000 metric tonnes of medium volatile coking coal to be imported to meet our works requirement for the period of May 1986-April 1987.
2. Tender documents for this enquiry may be obtained as of 31st March 1986 from our following offices:
   (a) Eregli Demir ve Celik Fabrikalari T.A.S.
   Dis Alimlar Mudurlugu (Foreign Purchasing)
   Uunkum Cad
   Kdz. Eregli, Turkey
   (b) Eregli Demir ve Celik Fabrikalari T.A.S.
   Satinalma Mudurlugu
   Gumussuyu Cad. Dersan Han Kat:4
   Istanbul, Turkey
   (c) Eregli Demir ve Celik Fabrikalari T.A.S.
   Dis Alim Siparis Takip Sefligi
   Ataturk Bulvari Selcan Han No: 127 Kat:5
   Ankara, Turkey
   Tender documents may also be obtained as of 31st March 1986 from Republic of Turkey, Ministry of Foreign Affairs, Turkish Embassy Department of Commercial Attaché both in Washington D.C., U.S.A., and London, UK.
3. Producers and/or the authorised sales agents on the behalf of producers may participate in this enquiry provided that in conformity with our technical specifications at least one million tonnes of coking coal is annually produced and half of this amount is exported by the producer. In any case the contract will be executed with the producer company.
4. The offers in sealed envelopes should be submitted to Eregli Demir ve Celik Fabrikalari T.A.S., Dis Alimar Mudurlugu, Uzunkum Cad., Kdz. Eregli, Turkey, at the latest by 17.00 hours Turkish local time on 21st April 1986.
5. Our company reserves the right to place the order either partially or completely with any bidder or to cancel the Tender completely. The receipt of quotations shall in no way be binding upon our company.

NOTICE OF REDEMPTION

To Holders of

Firestone Overseas Finance Corporation

5% Guaranteed Debentures Due May 1, 1988

(Convertible into Common Stock of The Firestone Tire & Rubber Company, as Guarantor)

NOTICE IS HEREBY GIVEN that pursuant to provisions of the Indenture Dated as of May 1, 1968 and the First Supplemental Indenture dated as of September 30, 1974, among Firestone Overseas Finance Corporation (the "Corporation"), The Firestone Tire & Rubber Company, as Guarantor (the "Guarantor") and The Chase Manhattan Bank (National Association), as Trustee (the "Trustee"), all of the Corporation's outstanding 5% Guaranteed Debentures Due May 1, 1988 (the "Debentures") will be redeemed on April 30, 1986 (the "Redemption Date") at a Redemption Price of 100% of the principal amount thereof (the "Redemption Price") together with accrued interest to the Redemption Date.

On the Redemption Date, the Redemption Price will become due and payable on each Debenture and upon presentation and surrender of each Debenture, with the May 1, 1986 and all subsequent coupons attached, the Redemption Price together with accrued interest to the Redemption Date will be paid. Unless the Guarantor shall default in the payment of the Redemption Price, on and after the Redemption Date interest on the Debentures will cease to accrue, the coupons for such interest shall be void, and any right to convert the principal amount of the Debentures into the Common Stock of the Guarantor shall terminate as to each paying agent's office at its close of business on the Redemption Date.

Coupons which have matured prior to the Redemption Date should be detached and presented for payment in the usual manner. Accrued interest to the Redemption Date will be paid in the amount of $49.86 per $1,000 of face value. Failure to submit the May 1, 1986 and subsequent coupons will result in the deduction of their value from the Redemption Price.

Debentures should be presented and surrendered for redemption at the paying agents' offices as follows:

The Chase Manhattan Bank, N.A.
Corporate Sinking Fund Redemptions
1 New York Plaza-14th Floor
New York, New York 10081

The Chase Manhattan Bank, N.A.
London Branch
Woolgate House, Coleman Street
London, EC2P 2HD England

Chase Bank AG
P.O. Box 4428
Taunusanlage II
Frankfurt/Main, Germany 6000

Chase Manhattan Bank S.A.
41 Rue Cambon
75001 Paris, France

Algemene Bank, Nederland, N.V.
P.O. Box 669
1000 E.G.
Amsterdam, Netherlands

Banque Bruxelles Lambert
Avenue Marnix, 24
1050 Brussels, Belgium

Banque Internationale a Luxembourg S.A.
2 Boulevard Royal
Luxembourg, Luxembourg

Banca Commerciale Italiana, S.p.A.
6 Piazza Della Scala
Milan, Italy

Credit Lyonnais
19 Boulevard des Italienes
Paris, France

CONVERSION OF DEBENTURES INTO COMMON STOCK

As an alternative to redemption, holders of Debentures have the right to convert the principal amount of each Debenture into shares of Common Stock of the Guarantor at the price of $29.375 per share, resulting in 34 full shares and a fraction per $1,000 of face value. Each Debenture to be converted must be surrendered with the May 1, 1986 and all subsequent coupons attached, to one of the above-listed addresses, together with the written notice of election to convert each such Debenture into Common Stock of the Guarantor which appears on the reverse of each Debenture, specifying the name or names in which the shares of stock deliverable upon conversion shall be registered, with the address or addresses of the person or persons so named, and (if applicable) a United States tax identification number, and (if applicable), accompanied by a written instrument or instruments of transfer duly executed by the holder or his attorney duly authorized in writing.

No payment or adjustment shall be made upon any conversion in respect of any interest accrued on any Debenture surrendered for conversion or any dividends on the Common Stock of the Guarantor delivered upon any conversion.

No fractional shares or scrip representing fractional shares shall be issued upon the conversion of any Debenture. If the conversion of any Debenture results in a fraction (calculated as to each conversion to the nearest 1/100th of a share), an amount equal to such fraction multiplied by the closing market price on the New York Stock Exchange of the Common Stock of the Guarantor on the last business day before the conversion date shall be paid to such holder in cash by the Guarantor. If more than one Debenture shall be surrendered for conversion at one time by the same holder, the number of full shares which shall be deliverable upon conversion shall be computed on the basis of the aggregate principal amount of the Debentures so surrendered.

THE RIGHT TO CONVERT WILL EXPIRE AS TO EACH PAYING AGENT'S OFFICE AT ITS CLOSE OF BUSINESS ON APRIL 30, 1986.

By: **THE FIRESTONE TIRE & RUBBER COMPANY**

Dated: March 27, 1986

LONDON SHARE SERVICE

BRITISH FUNDS

1986 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98 11/16	95 5/8	Treas 3pc 1986	98 11/16	+1/8	3.03	11.28
99 13/16	99 1/16	Exch. 10½pc 1986	99¾	−1/16	10.51	11.28
100 1/16	99½	Treas 12pc 1986	100 1/32		11.99	11.49
99⅞	98⅞	Treas 8½pc 1984-86‡‡	99¼	+1/16	8.56	11.12
102⅝	100½	Exch. 14pc 1986	102 1/16xd	+⅛	13.71	10.40
96 5/16	94⅞	Exch. 2½pc 1986	96¼	+1/16	2.60	8.47
102⅞	100⅝	Exch. 13¼pc 1987	102 3/16	+⅛	12.95	10.17
100 3/16	97 3/16	Treas 10¼pcCv '87	100¼	+⅛	10.23	10.04
95 1/16	92 13/16	Exch 2½pc 1987	95	+⅛	2.63	8.27
100½	97½	Exch. 10½pc 1987	100⅜xd	+⅛	10.46	10.12
97	93⅝	Funding 6½pc '85-87‡‡	97xd	+⅛	6.70	9.48
100	96 13/16	Treas. 10pc 1987	99 13/16	+⅛	10.03	10.13
93¾	90⅞	Treas 3pc 1987	93¾	−⅛	3.20	8.37
102¾	99⅞	Treas. 12pc 1987	102¾	+¼	11.67	10.07
97⅛	92 15/16	Treas 7¾pc 1985-88‡‡	97	+⅛	7.98	9.55
101⅝	96⅝	Exch 10½pc '88	101 1/16	+¼	10.38	10.02
99 15/16	95⅛	Treas 9¾pc Cv '88	99¾	+⅛	9.77	9.86
90 1/16	86⅝	Transport 3pc '78-88	89⅝	+⅛	3.34	8.03
99 3/16	93 15/16	Treas. 9½pc '88	99½xd	+⅛	9.54	9.91
104½	98 1/16	Treas 11½pc 1989	104⅛	+¼	11.04	9.83
101 3/16	95⅛	Treas 9½pc Cnv. '89	103 [illegible]xd	+½	9.38	9.08
86¾	82 7/16	Treas 3pc 1989	86½	+⅛	3.46	7.95
101⅞	95 5/16	Treas 10½pc 1989	101¾	+1/16	10.31	9.84
100⅝	94¼	Exch. 10pc 1989	100½	+½	9.95	9.82
103 11/16	97	Exch 11pc 1989	103½xd	+½	10.62	9.78
89 7/16	84½	Treas 5pc 1986-89	89⅛xd	+¼	5.61	8.62
107⅞	94⅝	Exch 10¼pcCv '89	106⅞	+1⅛	9.59	8.00
110 13/16	103 1/16	Treas 13pc 1990‡‡	110½	+¼	11.76	9.63
104 11/16	97⅛	Exch 11pc 1990‡‡	104½	+½	10.52	9.56
109⅝	103 11/16	Exch. 12½pc 1990	109 7/16	+½	11.42	9.59
83	79⅝	Treas. 3pc 1990	82¾	+½	3.62	8.04
96½	89⅝	Treas 8¼pc 1987-90‡‡	96¼	+⅛	8.57	9.34
102 9/16	93	Treas. 10pcCv 1990	102 5/16xd	+½	9.77	9.38
80¼	76½	Exch 2½pc 1990	79¾	+⅛	3.14	7.74
108 13/16	99 1/16	Treas 11¾pc 1991	108 9/16	+½	10.82	9.47
		Five to Fifteen Years				
91¾	83 1/16	Funding 5¾pc '87-91‡‡	91¾xd	+1⅛	6.27	8.02
107⅝	96 1/16	Exch. 11pc 1991	107⅛xd	+1¼	10.27	9.54
115½	103⅝	Treas 12¾pc 1992‡‡	115¼	+1¼	11.06	9.29
104⅝	92 1/16	Treas 10pc 1992	104¼	+1¼	9.59	9.05
106¼	94 1/16	Treas 10½pc Cv 1992‡‡	106¼	+1⅛	9.88	9.14
113¾	101 3/16	Exch. 12¼pc '92	113⅝	+1¼	10.78	9.37
119⅝	106⅞	Exch 13½pc 1992	119¼	+1¼	11.31	9.42
29⅞	19⅞	Treas 10pc 1993 (£20pd)	29½	+1¼	9.62	9.20
116¾	103½	Treas 12½pc 1993‡‡	116½	+1¼	10.73	9.33
89	78½	Funding 6pc 1993‡‡	89	+1⅛	6.74	7.97
123½	109 5/16	Treas 13¾pc 1993‡‡	123⅛	+1	11.17	9.43
128¾	114 5/16	Treas 14½pc 1994‡‡	128⅝	+1¼	11.27	9.31
122⅝	108½	Exch 13½pc 1994	122⅛xd	+1⅛	11.03	9.48
118	103 11/16	Exch. 12½pc 1994	117¾	+1¼	10.62	9.40

Over Fifteen Years

Undated

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INDUSTRIALS—Continued

INDUSTRIALS—Continued

1986 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
106	82	♦Midland Marts	105	.....	4.0	2.1	5.4	12.5
78½	61	Mitchell Cotts	65xd	+½	4.25	1.5	9.6	(8.9)
107	81	♦Monks & Crane 10p	103	.....	R2.7	2.7	3.7	14.2
275	210	Morgan Crucible	246	–4	M8.5	1.6	4.9	17.1
22½	15½	♦Morris (W) F.A. 20p	18	.....	g0.5	♦	4.0	♦
113	100	Moss (Robt.) 10p	108	–3	†3.0	2.7	4.0	11.6
100	65	Mysou Grp 10p	94	.....	N2.63	3.4	4.0	17.8
340	259	♦NMW Computers	335xr	+10	4.0	♦	0.9	21.8
40	27	Nash Inds.	38	.....	0.5	—	1.9	—
28	16	Neil & Spencer 10p	20	–1	♦	—	—	6.0
34	30	Newman Inds 10p	31	.....	20.3	—	1.4	(34.7)
65	50	Nolton	56	.....	0.95	5.9	2.4	8.0
130	96	♦Norank Systems 5p	112	.....	u3.0	♦	3.8	♦
258	187	Norcros	257	.....	†8.6	2.0	4.8	14.0
68	49	Nu-Swift 5p	68	+5	†3.0	1.9	6.3	11.0
96	80	Oakwood Grp	87	–3	5.0	1.3	8.2	12.1
235	203	Office & Elect	217	.....	†7.5	2.6	4.9	11.1
102	70	Oktacro 20p	95	–3	†4.0	2.6	6.0	8.4
36	29	♦Optometrics $0.01	34	.....	ad02c	2.1	4.6	11.4
675	500	Oriflame £1	650	.....	24.5	♦	3.9	♦
10	8	Overstone 12½p	10	.....	g03.23c	1.9	10.5	5.0
£275	£228	Ozalid 9pc Cnv 87-92	£258	–3	09%	—	(3.5)	—
100	95	♦PCT Grp 10p	100	.....	3.2	1.2	6.7	(24.6)
£20½	950	PLM "B" Sk 25	£19½	.....	Q23.2%	♦	3.3	♦
156	114	PSM Intl	152	.....	tqd5.25	2.5	4.9	10.4
235	167	♦Pacer Systems $0.01	235	.....	L3.84c	♦	1.3	♦
78	60	♦Pacific Sales 10p	62	.....	3.0	1.2	7.0	16.7
283	225	Park Place 10p	250	.....	†6.25	1.9	3.6	20.8
389	246	Parker Knoll 'A'	378	–2	†9.5	2.9	3.6	13.6
445	208	♦Parkfield Group 5p	418	+5	†2.4	2.4	0.8	(68.6)
53	37	♦Paxton Intl	37	.....	—	—	—	—
£130	£100	Do 11pc CnLn '94-02	£100	.....	011%	—	(11.1)	—
497	393	Pearson	480	.....	10.0	q2.7	3.0	15.8
18½	12	Peek Holdings 7p	18	.....	—	—	—	—
110	88	Peerless	108	.....	6.3	—	8.3	—
505	283	Pentland 10p	505	+15	t0.87	20.4	0.2	22.7
£14	775	Photo-Me	£13½	+½	†5.08	8.3	0.6	-
458	315	Pilkington Br. £1	438	+13	12.5	2.5	4.1	10.8
£377	£293	Pitney-Bowes Cnv. Ln.	£377	+6	05½%	—	1.5	—
71	52	Plastic Const. 10p	70	.....	2.8	2.0	5.7	12.3
9	7	Platignum 5p	7	–½	8—	—	—	—
150	115	♦Plaxton Int.	130	.....	†2.8	3.2	3.1	11.3

LEISURE—Continued

1986 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
89	58	Leisuretime Int 10p	80		2.3	♦	4.2	♦
108	100	♦Lowmar	105	.....	u2.63	3.0	3.6	13.0
220	170	♦Media Tech Int 20p	195	...	L2.58	5.4	1.9	15.8
175	145	Medminster 10p	150xd	–10	†5.35	2.7	5.1	10.2
220	130	♦Miss World 10p	175	...	5.2	♦	4.3	♦
78	62	Nationwide Leisure	77	+1	t3.75	2.5	7.0	6.8
17	10½	♦Norstin Int 20c	13	...	—	—	—	—
33½	23	♦Owners Abroad 3p	32	...	1.0	2.2	4.5	14.3
90	46	Photax (Lon.)	75	...	—	—	—	—
34	28½	♦P'dilly Radio NV 5p	31	.....	2.0	1.2	9.2	13.1
50	37	♦Pineapple Dnc St 10p	38	...	—	—	—	—
391	280	Pleasurama 5p	355	+2	7.5	♦	3.1	♦
178	136	Do. 7pcCvCumRedPf	169	.....	7%	—	5.9	—
134	89½	♦Pres Entertain 50p	130	–4	N2.0	2.1	2.2	30.8
35	18	♦Radio City 'A' NV	30	.....	—	—	—	—
37	33	♦Radio Clyde N/V	37	.....	3.25	0.9	12.5	12.0
368	333	Really Useful Grp 5p	341	–7	b11.25	2.2	4.8	13.9
64	53	Riley Leisure 10p	57	...	t0.7	—	‡	—
230	195	Saga Hols. 20p	200xd	..	4.6	♦	3.3	♦
450	260	Samuelson Grp 20p	350	.....	t2.4	6.0	1.0	27.4
111	73	♦Sangers Photo 10p	103	+8	♦2.0	1.9	2.8	26.9
168	142	♦Scaura 50p	142	–3	L3.68	2.6	3.7	13.8
274	188	Scot. TV 'A' 10p	274	...	†8.8	2.8	4.6	11.3
294	173	SeaCo Inc $0.125	247	–26	—	—	—	—
11	7	♦SelecTV 10p	10	.....	—	—	—	—
37	20	♦Spectrum 5p	25	–1	†1.2.0	4.8	‡	2.6
43	31	TSW 5p	43	.....	†1.7	2.4	5.7	10.2
210	150	TVS N/Vtg 10p	218	.....	8.0	♦	5.4	♦
188	150	♦Television Svcs 50p	153	–4	t1.5	4.3	1.4	24.0
61	50	Tottenham Hotspur	51	+1	$4.0	—	‡	—
92	66	♦Trikon 10p	77	.....	L1.1	3.3	2.0	16.3
205	140	♦Tyne Tees TV 'A' £1	202	.....	a10.5	♦	7.8	♦
110	104	Ulster TV N/V 'A'	118	..	5.25	♦	6.8	♦
100	63	♦Viewplan 5p	90	–8	a1.26	♦	2.0	♦
25	17½	Webb (Jos.) 5p	22	...	d0.5	0.7	3.3	59.2
27½	16½	♦Williams (Rex) 5p	21½xd	–½	0.91	♦	6.0	♦
161	125½	Zetters 5p	161	.....	†4.0	3.6	3.5	11.3

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TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

1986 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
80	50	♦Colby Res Corp	50	.....	—	—	—
300	200	Cons. March. 10c	280	.....	‡Q8½c	3.9	‡
34	28	♦Ennex Int. Ir10p	33	+1	—	—	—
101	70	Greenwich Res	95	.....	—	—	—
143	115	Hampton Areas 10p	115	–4	3.75	0.9	4.4
245	165	♦Highwood Res	240	.....	—	—	—
£19⅝	£15¾	Homestake Mining $2	£17	–¼	Q20c	—	0.8
310	185	♦McFinley Red Lake	260	.....	—	—	—
285	210	♦Musto Explorations	245	.....	—	—	—
45	40	♦New Sabina Res C$1	45	.....	—	—	—
260	210	Northgate C$1	235	–5	—	—	—
765	513	RTZ	725	–4	†20.0	2.8	3.9
£164	£115	Do. 9½pcLn '95-2000	£154	+2	Q9½%	14.0	6.3
950	800	♦Tara Expln $1	912	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ¢ Forecast dividend; cover on earnings updated by latest interim statement.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –	Stock	Price	+ or –
Albany Inv 20p	105		Fin. 13% 97/02	£128¼	.....
Craig & Rose £1	£13½	...	Arnotts	350	+2
Finlay Pkg 5p	47	..	CPI Hldgs	65	+5
Holt (Jos) 25p	770	...	Carroll Inds.	170	...
IoM Stm. £1	77	...	Dublin Gas	60	...
			Hall (R. & H.)	67	...
IRISH			Heiton Hldgs.	29	..
Fund 11¼% 1988	£108½	+½	Irish Ropes	60	.....
Nat. 9¾% 84/89	£98¾	...	Unidare	160xd	...

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LONDON STOCK EXCHANGE

MARKET REPORT

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Mar 10	Mar 26	Mar 27	Apr 7
Apr 1	Apr 10	Apr 11	Apr 21
Apr 14	Apr 24	Apr 25	May 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

US buying restores confidence and markets recover

Confidence was restored and by the close of business yesterday London markets had repaired much of the damage inflicted over the previous two sessions. A revival of US support initiated the upturn but the movement was strongly aided by *the view of the head of the Prudential investment division who reportedly saw the recent sharp fall as a good buying opportunity.*

A broker acting for American investment clients bought heavily from the outset. Rumours went round that sums up to £50m had been invested in blue chip issues with the accent on leading Bank and Store shares. This soon tempted the UK institutions into markets and for the first hour or so dealings were active. Business quietened later and the tone eased before the pace picked up again on news of a good Wall Street opening.

Other factors contributing to the brighter mood were an *encouraging performance* by the exchange rate and an optimistic Confederation of British Industry survey on economic prospects. *Sterling maintained a firm trend* throughout against Continental currencies and later in the day went *higher* on the dollar, despite continuing oil price uncertainties. News of last month's trade deficit had no effect.

Company trading statements were greeted more enthusiastically, with the early announcement of higher preliminary profits from **BAT Industries** setting the trend. The interim figures of **Lucas Industries** were released later and also made a favourable impression. The FT Ordinary *share index reflected* the firm overall scene with a closing rise of 15.7 to 1,380.4, while the FT-SE 100 share index *settled a shade below its highest* to end 20.1 up at 1,653.9.

Government bonds, too, responded strongly to renewed domestic and foreign demand. Stock shortages, despite Tuesday's sell-off, soon became apparent and the market surged forward in relatively thin trading. Just before the official 3.30 pm close prices eased before improving in the late trade to end near the session's best. By then longer-dated Gilts had regained most of the previous day's fall to show gains ranging to nearly two points. Index-linked issues followed the mood of conventional stocks, and recovered ⅛ in places.

Clearers better

Receding Latin American debt worries helped the major clearing banks stage a useful recovery. Domestic and some sizeable US buying helped **NatWest** rally 25 to 910p and **Lloyds** add the same amount to 657p. **Midland** retrieved 14 at 522p and **Barclays** picked up 12 at 550p, after 558p. Elsewhere, *comment on* **Standard Chartered**'s results and news that the bank is increasing its stake in gold bullion dealers Mocatta to 80 per cent left the shares 30 higher at 573p; the rise was also accompanied by vague takeover rumours. **Moorgate Mercantile**, in which Bestwood holds over an 11 per cent stake, moved up 3 to 49p; it was announced yesterday that the company has acquired a portfolio of medium term secured mortgages from Brigstowe Finance for £1m.

Prudential were outstanding among firm Life Insurances, rising 21 to 913p *following comment* on the results. **Britannic** rose 9 to 904p following trading news and **Equity and Law** moved *up 12 to 257p. Elsewhere*, **Trade Indemnity**, writers of credit insurance business in the UK and overseas, soared 110 to 535p in response to the excellent results and proposed 200 per cent scrip-issue.

Leading Buildings staged a *smart rally*. **Redland** revived with a gain of 8 at 462p and **RMC** advanced a like amount to 612p. **Tarmac** closed 6 better at 480p following the agreed offer worth some *£44m* for the privately-owned concrete bricks manufacturer Thermalite. Elsewhere, **SGB** found support and rose 10 to 322p, while **Raine Industries** attracted "new time" demand pending the outcome of merger talks and closed 3½ dearer at 46½p, after 47½p. **Gibbs and Dandy** gained 4 to 36p in reply to the good annual results.

Wolstenholme Rink *rallied 5 to* 195p in the wake of the disappointing annual figures, but a fresh bout of profit-taking *lowered* ***Wardle Storeys*** *6 to 269p* and **Coalite** 11 to 271p.

Stores rally

Leading Retailers, the subject of widespread and often sizeable profit-taking earlier in the week, responded to substantial enquiry *for "new-time." Quotations were* marked sharply higher from the outset and, despite a mid-morning pause, made further headway *after-hours to finish at the day's* best. **Combined English**, dull on Tuesday despite announcing better-than-anticipated preliminary *results, rallied strongly* amid vague suggestions of a bid from **GUS** and closed 28 to the good at a 1986 peak of 245p; GUS *also rose 28 to 965p. Gains of* 12 were noted for **Burton**, 324p, and **Storehouse**, 340p, while **Marks and Spencer** put on 7 to 212p. An isolated *dull spot* was provided by **Woolworth**: up to 640p following annual figures in line with expectations, the *shares subsequently reacted on* profit-taking to close 12 cheaper on balance at 610p. Secondary issues remained quiet, although fresh support was noted for **Martin Ford**, finally 5 higher at 99p and **NSS Newsagents**, which hardened a few pence to 134p.

STC returned to prominence in Electricals, rising 8 to 132p, after 134p, in response to a broker's upgraded profits forecast. **BICC** dropped to 325p on initial disappointment with the preliminary profits, but rallied later after a reassuring analysts meeting to close a net 5 up on balance at 335p, after 338p. **Thorn EMI** moved up 5 at 469p and **British Telecom** hardened to 220p. **Plessey**, *however, softened* a couple of pence to 214p. Elsewhere, **Forward Technology**, at 38p, and **VG Instruments**, at 396p, rose 3 and 4 respectively following favourable trading statements. **Magnetic Materials**, a depressed market of late on the poor results, recovered 12 at 77p, while improvements of 20 and 25 were seen in **Microfilm Reprographics**, 555p, and **Micro-Focus**, *210p*.

Most Engineering stocks rallied with sentiment helped by an encouraging survey from the CBI, *but* ***Babcock*** *fell 17 to 196p* as news of the 9½ per cent annual profits increase to £34½m failed to match recent optimistic *forecasts of around £37m.* **Hawker**, however, moved up 6 to 593p and **Vickers** gained 7 at 475p. **Aurora** touched 59½p on the impressive results before closing 1½ dearer on balance at 55½p. Buying on recovery hopes lifted **Johnson and Firth Brown** 1½ more to 42½p, after 44½p, while recoveries of 6 and 12 respectively were recorded by **Jones and Shipman**, 112p, and **Hall**, 192p. **Simon** added 8 at 240p and **Glynwed** improved 7 at 346p.

Leading Foods took a modest turn for the better. **Tate and Lyle** added 3 to 623p, but **S. and W. Berisford** softened a few pence to 225p in the absence of any further bid developments. **Bernard Matthews** advanced to 705p prior to closing a net 40 up at 700p following the excellent annual results and proposed one-for-three scrip issue, but USM-quoted **Wold** shed 4 to 60p in the wake of the poor preliminary figures. ***Hillards*** jumped 17 to 207p in a restricted market as takeover speculation revived.

Fisons wanted

Fisons were outstanding among miscellaneous industrials, rising 35 to 575p, after 585p, following bullish reports emanating from an analysts meeting held to discuss the potential of a new anti-asthmatic drug: **Wellcome** advanced 10 in sympathy to 222p. Elsewhere, persistent demand in a market short of stock following the recent impressive results helped **Turner and Newall** stage a strong recovery and close 14 to the good at 212p. **Bridon** jumped *13* to *163p on the good* results, while doubled profits lifted **Stag Furniture** 15 to 118p. **Hollis** recorded a speculative improvement *of 9 at 77p* and **Pentland Industries** revived with a rise of 15 at 505p. **Metal Closures**, however, closed 5 off at *135p, after 132p, following* the disappointing annual figures. **Boots**, a dull market of late following a broker's downgraded profits forecast, rallied 5 at 264p, after 267p.

Horizon Travel firmed 4 to 125p following the annual results and confident statement, while USM-quoted **Sangers Photographic** touched 110p prior to closing a net 8 up at 103p in *response to a newsletter recommendation.*

Lucas Industries revealed interim profits some £5m above *most market estimates*, and in an extremely lively business, touched 653p before settling 38 higher on balance at 651p. The news stimulated interest in **AE**, 4 up at 174p, and **Armstrong Equipment**, 5 better at 132p. Late support was noted for **Kwik-Fit**, finally 8 higher at 92p. Distributors featured **British Car Auction** which advanced to 139p before closing a net 10 up on balance at 135p on further reflec*tion of the interim statement and* speculation surrounding the future of its US operations; **Attwoods** rose 6 to 149p in sym*pathy*. Buyers returned for **Tozer Kemsley**, which rose 5 more to 134p, after 137p; **Kenning**, currently in receipt of an unwelcome bid from the former, closed 13 up at 206p.

Paper/Printings featured fresh strength in **DRG** which advanced 12 to 306p, aided by further considerations of asset *disposal* proposals. **Barham** rallied 6 to 162p, but **Eucalyptus**, still reflecting the disappointing full-year *figures, dipped 18 for a two-day* decline of 60 to 420p. Advertising agencies highlighted **Lowe Howard-Spink and Bell** which *advanced 30 to 418p following* the excellent preliminary results.

Leading Properties perked up as buyers reappeared. **Land** *Securities edged up to 312p* prior to closing 4 dearer on balance at 311p, while **MEPC** revived with a gain of 7 at 340p. **Hammerson A** improved 10 to 460p, while **Stock Conversion**, in which Stockley holds a sizeable stake, gained 30 to 615p. Buyers returned for **Rosehough**, which advanced 15 to 570p and **Regalian**, which finished 10 higher at 465p. USM-quoted **Dencora** rose 6 to 124p, but **Rohan** lost 12 to 140p following the poor annual results.

Textiles regained most of the losses sustained on Tuesday. **Courtaulds** led the way with a gain of 7 to 289p, while **Dawson International** put on 4 to 264p and **John Crowther** rallied 3 to 140p. **Stoddard A** *hardened 1½* for a two-day advance of 4 to 18p amid talk of a sizeable stake changing hands.

Bats *announced full-year* figures in line with market estimates and touched 400p at one stage; the shares subsequently *reacted to US selling*, however, and reverted to the overnight level of 390p. **Imperial Group** hardened 3 to 345p as Hanson *Trust* revealed that it controlled just over 28 per cent of Imps, equity and extended its offer until next Tuesday.

Tricentrol weak

Recent rumours of a swingeing cut in **Tricentrol**'s final divi*dend proved correct* and the company's shares slumped to a 1986 low of 70p before steadying to close a net 11 off at 72p.

Leading oils, however, made progress helped by good overseas support. **BP** rallied 8 to 548p and **Shell**, sustained by US buying, moved up 13 to 768p. **LASMO**'s full-year results were given a good reception by the press and the shares picked up 5 to 128p. **Britoil** rallied 7 to 170p, while **Ultramar** added 12 at 170p, the latter following press comment. **Enterprise Oil**, scheduled to announce preliminary results next Wednesday, edged up 4 to 134p.

Secondary oils remained under constant pressure. **Firstland Oil and Gas** were notably weak and retreated 6 to 34p while Australia's **Bridge Oil** dropped 11 to 67p.

Overseas Traders attracted substantial speculative interest. **Lonrho** were well to the fore following a revival of traded option activity on consortium takeover prospects and touched 300p before settling 12 up on *balance at 295p.* **Inchcape**, *due* to announce annual results early in May, rose 18 to 373p.

All the major sectors of mining markets came under pressure as metal prices retreated in the wake of the bullion price. The latter, again unsettled by a firm performance by the dollar, gave up $2.125 more to $345.25 an ounce.

The recently buoyant Australian mining market plunged in line with the trend in Sydney and Melbourne overnight; the Sydney market registered its biggest one-day fall since February 1983. *Golds bore the brunt* of the selling, especially recent high-flyer **Central Norseman Gold**, which dropped 50 to 433p. ***Gold Mines of Kalgoorlie*** retreated 35 to 405p and **Emperor Mines** 20 to 182p, **Whim Creek** and ***Metana*** *fell 16* apiece to 124p and 125p respectively. Leading diversified issues also took a tumble with **CRA**—a strong market recently on rumours of a possible deal with BHP—closing 22 off at 336p. **Western Mining** were 12 down at 181p and **Peko-Wallsend** 14 cheaper at 262p.

The weak bullion price coupled with another decline in the Financial Rand prompted renewed selling of South African Golds. Prices *were under pressure from the* outset and continued to drift throughout the session. Closing levels were generally the day's *lowest* and the Gold Mines index closed 13.5 down at 291.9 for a three-day loss of 20.1

In UK-registered Financials **RTZ** attracted further profit-taking and eased 4 to 725p. **Consolidated Gold Fields** lost 8 more to 502p.

Quieter conditions prevailed in Traded Options. Total contracts struck amounted to 16,020—the lowest so far this month.

TRADITIONAL OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 17	Apr 4	*June 26*	*July 7*
Apr 7	Apr 18	July 10	July 21
Apr 21	May 2	July 24	Aug 4

For rate indications see end of Unit Trust Service

Call options were taken out in Western Selection, ASDA-MFI, Enterprise, Thomas Borthwick, T. Cowie, BSG International, Wellcome, Olives Paper Mill, Exco International, British Benzol, C. H. Bailey, Tricentrol, Blue Arrow, *Yorkshire Chemicals*, Unigroup, Carless Capel, Trusthouse Forte, Silentnight, Audiotronic, Arthur Lee, Crystalate, WSL, Hawley and Sangers. A put was done in Polly Peck, while a double was taken out in United Biscuits.

FINANCIAL TIMES STOCK INDICES

	Mar. 26	Mar. 25	Mar. 24	Mar. 21	Mar. 20	Mar. 19	year ago
Government Secs	91.12	90.18	91.27	91.24	91.09	90.03	81.06
Fixed Interest	94.86	94.35	95.11	95.03	94.30	93.69	84.68
Ordinary ♥	1380.4	1364.7	1394.6	1412.2	1415.1	1389.5	979.3
Gold Mines	291.9	305.4	309.4	312.0	310.8	318.1	502.1
Ord. Div. Yield	3.93	3.97	3.88	3.84	3.83	3.91	4.64
Earnings, Yld. %(full)	9.31	9.42	9.24	9.13	9.13	9.31	11.52
P/E Ratio (net) (*)	13.34	13.17	13.43	13.59	13.60	13.33	10.59
Total bargains (Est.)	38,410	38,401	43,770	42,606	41,181	40,491	26,966
Equity turnover £m.	—	699.57	720.29	967.72	985.27	1093.06	369.39
Equity bargains	—	39,255	40,898	43,472	41,104	38,164	24,002
Shares traded (ml)	—	303.9	322.5	371.2	411.3	472.1	191.2

♥ 10 am 1377.9. 11 am 1376.7. Noon 1375.8. 1 pm 1377.4. 2 pm 1377.2. 3 pm 1378.2. 4 pm 1379.1. Day's High 1380.4. Day's Low 1374.7. Basis 100 Government Securities 15/10/26. Fixed Interest 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974. Latest Index 01-246 8026. *Nil=12.83.

HIGHS AND LOWS

—	1986 High	1986 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	91.37 (24/3)	80.39 (20/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	95.11 (24/3)	86.55 (23/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1415.1 (20/3)	1094.3 (14/1)	1415.1 (20/3/86)	49.4 (26/6/40)
Gold Mines	357.0 (27/1)	257.5 (2/1)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

INDICES	Mar. 25	Mar. 24
Daily		
Gilt Edged Bargains	179.3	175.9
Equities Bargains	254.3	265.0
Equities Value	1,414.0	1455.9
5 day Average		
Gilt Edged Bargains	208.1	210.4
Equities Bargains	262.9	260.3
Equities Value	1,805.3	1,827.3

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BAT Inds	390	—
Babcock Intl	196	−17
Beecham	360	−1
Burton	324	+12
Fisons	575	+35
GUS "A"	965	+28
Lonrho	295	+12
Lucas Inds	651	+38
Sangers Photo	103	+8
Tricentrol	72	−11
Wellcome	222	+10
Woolworth	610	−12

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tue. close	Day's change
British Aero	37	565	−41
RTZ	28	729	−16
BP	27	540	−13
Britoil	26	163	−5
LASMO	26	123	−7
Shell Trans	25	755	−10
GUS "A"	24	937	−17
Marks Spencer	24	205	−7
Barclays	23	538	−18
Grand Met	23	400	−13
Cable and Wire	22	690	−3
ICI	22	951	−14

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Weds March 26 1986: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1986 to date	Tues Mar 25 Index No.	Mon Mar 24 Index No.	Fri Mar 21 Index No.	Year ago (approx.) Index No.
1 CAPITAL GOODS (213)	[illegible]									
2 Building Materials (24)	[illegible]									
3 Contracting, Construction (28)	[illegible]									
4 Electricals (13)	[illegible]									
5 Electronics (38)	[illegible]									
6 Mechanical Engineering (64)	[illegible]									
8 Metals and Metal Forming (7)	[illegible]									
9 Motors (17)	[illegible]									
10 Other Industrial Materials (22)	[illegible]									
21 CONSUMER GROUP (184)	[illegible]									
22 Brewers and Distillers (23)	[illegible]									
25 Food Manufacturing (22)	[illegible]									
26 Food Retailing (14)	[illegible]									
27 Health and Household Products (10)	[illegible]									
29 Leisure (25)	[illegible]									
31 Packaging and Paper (15)	[illegible]									
32 Publishing & Printing (13)	[illegible]									
34 Stores (43)	[illegible]									
35 Textiles (16)	[illegible]									
36 Tobacco (3)	[illegible]									
41 OTHER GROUPS (85)	[illegible]									
42 Chemicals (19)	[illegible]									
44 Office Equipment (4)	[illegible]									
45 Shipping and Transport (12)	[illegible]									
46 Telephone Networks (2)	[illegible]									
47 Miscellaneous (45)	[illegible]									
49 INDUSTRIAL GROUP (482)	[illegible]									
51 Oil & Gas (18)	[illegible]									
59 500 SHARE INDEX (500)	[illegible]									
61 FINANCIAL GROUP (118)	[illegible]									
62 Banks (7)	[illegible]									
65 Insurance (Life) (9)	[illegible]									
66 Insurance (Composite) (7)	[illegible]									
67 Insurance (Brokers) (8)	[illegible]									
68 Merchant Banks (11)	[illegible]									
69 Property (51)	[illegible]									
70 Other Financial (25)	[illegible]									
71 Investment Trusts (103)	[illegible]									
81 Mining Finance (3)	[illegible]									
91 Overseas Traders (14)	[illegible]									
99 ALL-SHARE INDEX (738)	[illegible]									
FT-SE 100 SHARE INDEX ♦	[illegible]									

FIXED INTEREST

PRICE INDICES	Weds Mar 26	Day's change %	Tues Mar 25	xd adj. today	xd adj. 1986 to date
British Government					
1 5 years	[illegible]				
2 5-15 years	[illegible]				
3 Over 15 years	[illegible]				
4 Irredeemables	[illegible]				
5 All stocks	[illegible]				
Index-Linked					
6 5 years	[illegible]				
7 Over 5 years	[illegible]				
8 All stocks	[illegible]				
9 Debentures & Loans	[illegible]				
10 Preference	[illegible]				

AVERAGE GROSS REDEMPTION YIELDS	Weds Mar 26	Tues Mar 25	Year ago (approx.)
British Government			
1 Low Coupons 5 years	[illegible]		
2 Low Coupons 15 years	[illegible]		
3 Low Coupons 25 years	[illegible]		
4 Medium Coupons 5 years	[illegible]		
5 Medium Coupons 15 years	[illegible]		
6 Medium Coupons 25 years	[illegible]		
7 High Coupons 5 years	[illegible]		
8 High Coupons 15 years	[illegible]		
9 High Coupons 25 years	[illegible]		
10 Irredeemables	[illegible]		
Index-Linked			
11 Inflat'n rate 5% 5 yrs	[illegible]		
12 Inflat'n rate 5% Over 5 yrs	[illegible]		
13 Inflat'n rate 10% 5 yrs	[illegible]		
14 Inflat'n rate 10% Over 5 yrs	[illegible]		
15 Debs & Loans 5 years	[illegible]		
16 Debs & Loans 15 years	[illegible]		
17 Debs & Loans 25 years	[illegible]		
18 Preference	[illegible]		

[illegible]

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$350	90	11.30	—	—	—	—	$346
[illegible]								

TOTAL VOLUME IN CONTRACTS: 36,806

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
§160	F.P.	18/4	194	180	✣BPP Hldgs. 10p	190	+2	R5.0	2.2	3.8	17.2
««	F.P.	—	140	123	Chillington Corp.	133		—	—	—	—
««	F.P.	—	70	65	Do. Defd.	70		—	—	—	—
165	F.P.	18/4	195	180	Gold Greenlees T. 5p	188	+8	R2.9	3.2	2.2	18.5
§105	F.P.	18/4	165	128	Jarvis Porter 10p	133	+5	R3.3	2.8	3.5	15.3
105	F.P.	14/3	146	112	Macro 4 5p	140	+2	R1.0	6.5	1.0	21.8
§120	F.P.	24/4	140	134	✣Menvier-Swain 5p	138		R2.5	3.5	2.6	15.6
§145	F.P.	4/4	177	155	PPL 10p	165	−6	u3.5	6.0	2.2	10.9
‖	F.P.	—	900	725	Rodime 5p	725		—	—	—	8.5
§80	F.P.	4/4	96	85	✣Spice 5p	95	−1	u2.8	2.2	4.2	12.3
215	F.P.	1/8	234	215	Templeton Galbraith	229	−2	Q5.97c	2.5	1.9	21.4
100	F.P.	27/3	103	95	Throgmorton USM	102		—	—	—	—
‖	F.P.	—	145	125	WSL 5p	126	−2	—	—	—	—
120	F.P.	24/3	238	156	Wellcome	222	+10	u2.08	2.8	1.3	39.9
—	F.P.	—	29	8	*Westland Warrants*	26	−2	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing price	+ or −
£100	F.P.	—	108⅝	108½	Aberdeen (City of) 10.8% Red. 2011	108½	
88.255	£30	25/4	36	30½	*American Medical Intl.* 9½% Uns.Ln.2011	34	
§98.287	£25	19/5	36½	25¼	Centrovincial Ests. 11½% 1st Mort Db.2016	36½	+½
««	F.P.	—	112p	110p	Chillington 9½% Cum. Red. Pref.	112p	
««	F.P.	—	135p	125p	Devenish (J.A.) 4.5% Cnv 2nd. Pref.	135p	
—	F.P.	27/4	110p	105p	✣Electron-H'se 6½% Cnv. Cum Red Prf	105p	−2
««	F.P.	—	*109p*	108p	Greenall Whitley 5.95% Cum Red Pref	108p	
£99.11	F.P.	10/4	110	99¼	Hampton Tst. 11¼% 1st. Mort. Deb. 2025	109¾	+1
94.917	£30	8/5	36½	19⅞	Inter-Am Dev Bk 9⅞% Uns Ln 2015	36½	+⅛
‖	Nil	25/4	124p	107p	Lawrence (W.) 8.5% Cnv.Cum.Red Pref.	121p	−2
««	F.P.	—	124p	119p	Morceau 8½% Conv. Uns. Ln 2000	124p	+5
—	F.P.	—	101⅛	100¼	Nationwide Bldg. Soc. 12⅛% 2/3/87	101¼	−⅛
««	F.P.	4/4	190p	140p	✣Parkfield 7% Cum. *Cnv. Prf. 2005*	177p	−3
‖	F.P.	16/4	105p	105p	Porter Chad. 8% Cnv.Cum.Red.Prf. '95	104p	
§97.955	£25	25/4	39	25½	Samuel Props. 11% 1st. Mort.Deb.2016	39	+1
§99.480	£25	—	28	24¾	S.E. 10½% Mort. Deb. 2016	26⅝	+⅛

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1986 High	1986 Low	Stock	Closing Price	+ or −
140	Nil	—	285pm	255pm	✣Ahda Hlgs.	260pm	−19
200	*Nil*	—	75pm	65pm	*Cullens Hldgs. 10p*	75pm	
6½	F.P.	11/4	10	7½	Dares Ests. 5p	9	−½
150	Nil	—	68pm	58pm	Heywood Williams	58pm	−2
330	F.P.	9/4	410	370	✣High Point Services 10p	370	−18
Ir.82	Nil	—	44pm	42pm	Jacobs (W.R.)	42pm	−2
255	F.P.	30/4	305	290	*KLP 5p*	300pm	
70	F.P.	7/4	83	75	Kent (J.) 5p	83	+1
230	Nil	24/4	122pm	58pm	✣ N.M.W. Computers	115pm	+5
100	Nil	—	70pm	48pm	Thomson T-Line	70pm	−2
11	Nil	—	9½pm	5½pm	Tranwood 5p	7pm	
70	Nil	—	75pm	55pm	WSL 5p	55pm	
115	F.P.	26/4	151	130	*Wates (City of London)*	150	+2
425	Nil	—	146pm	136pm	Wolseley-Hughes	145pm	+9

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *g* Assumed dividend and yield. F Forecast dividend cover on earnings updated by latest interim statement. H Dividend and Yield based on prospectus or other official estimates for 1986. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. *t* Indicated dividends: cover relates to previous *dividend: p/e ratio* based on latest annual earnings. *u* Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ‖‖ Introduction. ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ■ Allotment price. ✣ *Unlisted securities* market. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (e).

NEW HIGHS AND LOWS FOR 1985/6

NEW HIGHS (126)

BRITISH FUNDS (7). CORPORATION LOANS (1). LOANS (2). AMERICANS (13). BANKS (3). BREWERS (1). BUILDINGS (7). CHEMICALS (6). STORES (5). ELECTRICALS (9). ENGINEERING (9). FOODS (4). INDUSTRIALS (15). INSURANCE (2). LEISURE (1). MOTORS (6). NEWSPAPERS (1). PAPER (4). PROPERTY (6). TEXTILES (3). TRUSTS (15). OVERSEAS TRADERS (4). PLANTATIONS (1). MINES (1).

NEW LOWS (35)

AMERICANS (1) Honeywell. CANADIANS (1) Massey-Ferguson. FOODS (3) Global Group. Rome Farm, Whitworth's Food. INDUSTRIALS (7) Assoc. Heat Services. Bardsey. Do. Pfd. Ord., Black Arrow, Marling Inds., Rolle & Nolan, Security Services. LEISURE (1) Scanro. SOUTH AFRICANS (1) SASOL. TEXTILES (1) SEET. TRUSTS (2) Cambium Venture Cap., Silvermines. OILS (12) Aran Energy, Bridge Oil, Caledonian Offshore, Carless Capel, Charterhall, *Clyde Petroleum, Floyd Oil, Goal* Petroleum, Meridian Oil, New London Oil, Santos, Tricentrol. MINES (6) Winkelhaak, Beatrix Mines, Anglo-American Coal, Rand London Mines, Kalbora Mining, Spargos Explrtn.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	110	1	1
Corpns. Dom & Foreign Bonds	22	24	28
Industrials	386	342	771
Financial & Props	137	76	356
Oils	19	34	67
Plantations	4	2	9
Mines	10	115	56
Others	56	96	43
Totals	744	690	1,331

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*548)	500	55	72	83	3	9	14
	550	19	38	48	20	25	35
	600	6	18	27	56	55	60
[illegible]							

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
P. & O. (*535)	420	117	130	—	1	2	—
	460	77	90	106	1	5	10
	500	48	65	80	8	17	25
	550	25	43	58	36	43	47
[illegible]							

Option		Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
[illegible]							

Option		Mar.	Apr.	May	Jun.	Mar.	Apr.	May	Jun.
FT-SE Index (*1656)	[illegible]								

March 26 Total contracts 16,020 Calls 12,121 Puts 3,899 *Underlying security price.

WORLD STOCK MARKETS

AUSTRIA

Mar. 26	Price Sch%	+ or —
Credit'nst'lt pp *	2,300	—17
Goesser *	5,400	—25
Interunfall *	13,630	—20
Jungbunzlauer *	18,000	—900
Laenderbank *	2,150	...
Perlmooser	708	+3
Steyr Daimler	160	—6
Veitscher Mag *	9,550	+100

BELGIUM/LUXEMBOURG

Mar. 26	Price Frs.	+ or —
B.B.L.	2,800	+20
Banq. Gen. Lux	12,750	—
Banq. Int.A.Lux	13,800	+100
Bekaert	11,100	...
Ciment CBR	4,280	—170
Cockerill	165	+5
Delhaize	10,500	+150
EBES	4,660	...
Electrobel	15,525	—450
Fabrique Nat.	2,150	+55
GB Inno BM	7,210	—20
GBL (Brux)	2,695	—95
Generale Bank	6,100	+100
Gevaert	6,610	—30
Hoboken	7,200	—200
Intercom	5,780	+60
Kredietbank	13,975	+275
Pan Hldgs	10,560	...
Petrofina	7,100	+70
Royale Belge	24,050	+350
Soc. Gen. Belge	3,020	+60
Sofina	8,850	+80
Solvay	6,060	+80
Stanwick Intl	470	+10
Tractionel	8,680	-290
UCB	7,150	...
Wagons Lits	6,440	—10

DENMARK

Mar. 26	Price Knr %	+ or —
Andelsbanken	420	—4
Baltica Skand	565	+20
Cop Handelsb'nk	325	—2
D. Sukkerfab	415	...
Danske Bank	375	...
De Danske Luft.	1,840	...
East Asiatic	288	—2
Forenede Brygg.	970	...
Forenede Damp.	251	...
GNT Hld	660	...
I.S.S.B.	780	—10
Jyske Bank	785	...
Novo Inds	1,300	...
Privatbanken	291	—3
Provinsbanken	449	...
Smidth (F.L.) B	314	...
Sophus Berend	885	...
Superfos	317	...

FRANCE

Mar. 26	Price Frs.	+ or —
Emprunt 4½% 1975	1,575	+35
Emprunt 7% 1973	7,540	+20
Accor	435.5	+5.5
Air Liquide	652	—18
BIC	645	+10
Bongrain	1,915	+35
Bouygues	1,110	...
BSN Gervais	4,120	—20
CIT Alcatel	2,240	+120
Carrefour	3,450	—80
Club Mediter'n	578	+20
Cie Bancaire	1,265	+35
Cofimeg	410	...
Damart	2,090	—10
Darty	2,880	+36
Dumez S.A.	1,154	...
Eaux (Cie Gen)	1,420	—20
Elf-Aquitane	233.5	—1.3
Essilor	2,400	—50
Gen.Occidentale	909	+13
Imetal	94.2	+0.7
Lafarge Coppee	1,340	+50
L'Oreal	3,490	—50
Legrand	3,820	—30
Maisons Phenix	318	+20
Matra S.A.	1,875	+36
Michelin B	2,890	—30
Midi (Cie)	6,000	+110
Moet-Hennessy	2,180	+5
Moulinex	87	+2.05
Nord Est	205	—1.5
Pernod Ricard	1,120	—17
Perrier	674	+18
Petroles Fra.	341	+2
Peugeot S.A.	1088	+3
Printemps (Au.)	630	—1
Radiotech	860	—35
Redoute	2,435	—40
Roussel-Uclaf	1,499	+19
Sefimeg	494	+7
Skis Rossignol	1,266	+65
Telemec Elect	3,615	—45
Thomson (CSF)	1,079	—90
Valeo	560	...

GERMANY

Mar. 25	Price Dm.	+ or —
AEG	334.5	+4.5
Allianz Vers	2,340	+15
BASF	319	+5.5
Bayer	336	+4.4
Bayer.Hypo	625	—5
Bayer-Verein	560	—10
BHF-Bank	522	—1
BMW	540	+24
Brown Boveri	286	—0.5
Commerzbank	316	+3.8
Cont'l. Gummi	236.9	+0.9
Daimler-Benz	1,312.5	+8.5
Degussa	468.5	—1.5
D'sche Babcock	217	+5
Deutsche Bank	811.5	—1
Dresdner Bank	434xr	+0.5
GHH	258.5	+8.7
Henkel	461	+4
Hochtief	920	—18
Hoechst	312.5	+3
Hoesch Werke	181.8	+6.5
Holzmann (P)	613	+8
Horten	236.5	+0.4
Hussel	495	+10
Karstadt	402	+2
Kaufhof	484	—5
KHD	310	+7
Kloeckner	98.5	+2
Linde	656	+9
Lufthansa	278	+4
MAN	217	+12
Mannesmann	271.5	+6.5
Mercedes Hld	1,135	+9
Metallgesell	340	+10
Muench Rueck	3,840	+140
Nixdorf	589.5	+8.5
Porsche	1,200	+16
Preussag	241.5	—0.5
Rhein West Elect	237	+2.5
Rosenthal	380	—1
Schering	579	+11
Siemens	688.3	+8.3
Thyssen	189.3	+4.8
Varta	354	+3
Veba	302.5	+2
V.E.W.	192	—1.5
Verein-West	488	+10
Volkswagen	583.5	+0.8

ITALY

Mar. 26	Price Lira	+ or —
Banco Com'le	27,650	+660
Bastogi-IRBS	762	+28
Centrale	4,480	+131
C.I.R.	10,500	+70
Credito Italiano	3,930	+120
Fiat	10,998	+99
Generali Assicur	107,200	+225
Italcementi	67,500	+4650
La Rinascente	1,390	+74
Montedison	4,077	—143
Olivetti	13,500	+880
Pirelli Co	7,850	+150
Pirelli Spa	5,970	+350
Saipem	4,990	+90
Snia BPD	7,230	—50
Toro Assic	41,500	+1000

NETHERLANDS

Mar. 26	Price Fls	+ or —
ACF Holding	291	—2
AEGON	103.8	—1
Ahold	82	+2.5
AKZO	168	+1
ABN	576	—1
AMEV	77.5	+1.8
AMRO	105	+0.3
Bredero Cert	210	+2
Bos Kalis Westm.	16.7	+0.1
Buehrmann-Tet.	145	+1
Calland Hlgs.	23	+0.6
Dordtsche Pet'm	180.7	+2.1
Elsevier-NDU	180.5	—0.8
Fokker	83	+3
Gist Brocades	273	+8
Heineken	238.5	...
Hoogovens	95.3	+2
Hunter Doug N.V.	65	—1.5
Int Mueller	70.3	+1.3
KLM	53.4	+1.5
KNP	1260	...
Naarden	53.1	—0.1
Nat Ned Cert	77	+1.3
Ned Mid Bank	208.5	+0.5
Nedlloyd	178.7	+3.2
Oce Grinten	447	+6
Ommeren (Van)	30.6	+0.1
Pakhoed	65.1	+0.4
Philips	64.3	+0.2
Robeco	93.1	+0.9
Rodamco	141	+0.5
Rolinco	80.6	+0.7
Rorento	50.7	+0.3
Royal Dutch	186.9	+2.8
Unilever	410	+1
VMF Stork	304	—0.5
VNU	297	+2
Wessanen	246	+5
West Utr Bank	49.5	...

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Schillings.

NORWAY

Mar. 26	Price Kroner	+ or —
Bergens Bank	142	...
Borregaard	370	...
Christiania Bank	152	...
DenNorske Cred	148.5	...
Elkem	108.5	...
Kosmos	160	—6
Kvaerner	146	...
Norcem	126	+3
Norsk Data	467.5	+17.5
Norsk Hydro	133.5	—0.5
Storebrand	339	...

SPAIN

Mar. 26	Price Pta %	+ or —
Bco Bilbao	835	+10
Bco Central	620	+5
Bco Exterior	315	...
Bco Hispano	445	+20
Bco Popular	960	+10
Bco Santander	695	+15
Bco Vizcaya	1090	...
Dragados	283	+5.5
Hidrola	118.7	+0.7
Iberduero	144	—0.5
Petroleos	336	+7.8
Telefonica	176.2	+1.2

SWEDEN

Mar. 25	Price Kronor	+ or —
AGA	187	—5
Alfa-Laval B	292	—1
ASEA (Free)	420	—10
Astra (Free)	545	+5
Atlas Copco	220	—3
Cardo (Free)	280	—6
Cellulosa	210	—3
Electrolux B	286	—6
Ericsson B	297	—6
Esselte	500	...
Mo och Domsjo	226	+1
Pharmacia	237	—1
Saab Scania Free	700	+30
Sandvik	810	+5
Skandia	455	—8
Skan Enskilda	96.5	—3
SKF	327	...
Sonneson	184	...
Stora Kopparbrg	240	—2
Sven Handlesbn	311	...
Swedish Match	313	—2
Volvo B (Free)	337	+6

SWITZERLAND

Mar. 25	Price Frs.	+ or —
Adia Intl.	4,970	—30
Alusuisse	745	—5
Bank Leu	4,100	+25
Brown Boveri	1,775	+65
Ciba Geigy	3,825	+65
do. (Part Certs)	2,910	+60
Credit Suisse	3,740	...
Elektrowatt	3,550	...
Fischer (Geo.)	1,370	+30
Hoff-Roche PtCts	128,000	...
Hoff-Roche 1/10	12,750	—100
Jacobs Suchard	7,610	+10
Jelmoli	3,480	+30
Landis & Gyr	1,930	...
Nestle	8,825	+25
Oer-Buehrle	1,700	+15
Pirelli	449	+4
Sandoz (Br)	11,450	+50
Sandoz (Pt Cts)	1,850	+30
Schindler (PtCts)	775	—25
Sika	1,550	...
Surveillance A	6,500	+25
Swissair	1,950	—30
Swiss Bank	583	+3
Swiss Reinsce	14,600	+100
Swiss Volksbk.	2,465	+15
Union Bank	5,190	—10
Winterthur	6,425	—25
Zurich Ins.	6,400	—25

AUSTRALIA

Mar. 26	Price Aust $.	+ or —
Adelaide Steams	15.5	—0.4
ANZ Group	5.46	—0.16
Ampol Pet.	2.35	—0.15
Ashton	1.45	—0.05
Aust. Cons. Inds.	3.45	—0.05
Aust. Guarantee	3.25	—0.15
Aust. Nat. Inds	3.86	—0.09
APM	3.45	—0.2
Bell Group	7.2	—0.3
Bell Res.	4.9	+0.05
Bond Corp Hldgs	3.12	—0.11
Boral	4.15	—0.08
Bougainville	2.52	—0.18
Brambles Inds	5.94	—0.22
Bridge Oil	1.40	—0.25
B. H. Prop.	6.16	—0.50
Burns Philp	6.0	—0.6
CRA	6.9	—0.34
CSR	3.1	—0.27
Chase Corp.	6.8	...
Claremont Pet	0.92	—0.04
Coles-Myer	5.0	...
Comalco "A"	2.56	—0.05
Consolidated Pet	0.17	...
Costain Aust.	2.7	...
Elders IXL	3.55	+0.05
Energ Res.	1.67	—0.03

AUSTRALIA (continued)

Mar. 26	Price Aust.$	+ or —
Gen. Prop. Trust	2.48	—0.02
Hardie (James)	3.5	—0.18
Hartogen Energy	1.78	—0.04
Herald W'yTimes	6.46	—0.02
ICI Aust	2.6	—0.21
Jimberlana F.P.	0.2	—0.01
Kia Ora Gold	0.18	+0.15
Kidston Gold	6.4	—0.04
Land Lease	8.6	—0.25
MIM	2.72xr	—0.15
Mayne Nickless	3.6	—0.2
Nat. Aust. Bank	5.9xd	—0.2
News	16.1	—0.9
Nicholas Kiwi	3.5	...
NorandaP'ciP/pd	0.95	...
North Bkn Hill	3.35	—0.07
Oakbridge	1.01	—0.07
Pacific Dunlop	3.27	—0.07
Pancontinental	2.05	—0.16
Pioneer Conc	2.56	—0.06
Poseidon	2.95	—0.10
Queensland Coal	1.45	—0.03
Reckitt & Colman	4.7	...
Repco	1.75	—0.06
Santos	3.5	—0.2
Smith (Howard)	5.1	...
Thos. Natwide	3.45	—0.13
Tooth	6.4	+0.1
Vamgas	2.16	—0.15
Western Mining	3.72	—0.28
Westpac Bank	5.62	—0.2
Woodside Petrol	1.06	—0.12
Woolworths	3.3	...
Wormald Intl	3.8	...

HONG KONG

Mar. 26	Price H.K.$	+ or —
Bank East Asia	18.7	—0.1
Cheung Kong	19.2	—0.1
China Light	16.2	...
Evergo	0.63	—0.02
Hang Seng Bank	43.0	...
Henderson Land	1.75	—0.02
HK China Gas	12.7	—0.1
HK Electric	8.6	—0.05
HK Kowloon Wh.	6.2	—0.15
HK Land	5.8	—0.1
HK Shanghai BK.	7.6	—0.05
HK Telephone	9.6	—0.05
Hutchison Wpa.	25.5	—0.2
Intnl. City	0.97	...
Jardine Math	11.6	—0.2
New World Dev.	5.65	—0.15
Orient O'seas	1.99	...
SHK Props	11.2	—0.1
Shell Elect	0.98	—0.2
Swire Pac A	34	+1
TV—B	5.15	—0.2
World Int. Hldgs.	2.20	...

JAPAN

Mar. 26	Price Yen	+ or —
Ajinomoto	1,440	+60
All Nippon Air	870	—2
Alps Electric	1,720	+50
Asahi Chem	791	+2
Asahi Glass	1,080	+30
Bank Tokyo	812	+12
Bridgestone	687	+9
Brother Inds	560	+9
Canon	1,010	+20
Casio Comp	1,460	—10
Chugai Pharm	1,340	+130
Daiei	1,130	+30
Dai Ichi Kan. Bk.	1,620	—20
Dai Nippon Ink	401	—3
Dai Nippon Ptg	1,770	+20
Daiwa House	1,080	+30
Daiwa Sec	1,150	+80
Eisai	1,570	+40
Fanuc	6,600	+40
Fuji Bank	1,650	...
Fuji Film	1,940	+80
Fujisawa	1,120	+30
Fujitsu	985	+6
F'urukawa Elect.	388	+4
Green Cross	2,070	+10
Heiwa Real Est	1,040	—30
Hitachi	742	+7
Hitachi Credit	1,410	—70
Honda	1,050	...
Indl. Bk. Japan	1,480	+40
Ishikawajima Hr.	189	+19
Isuzu Motors	348	—3
Iton (C)	515	+27
Ito. Yokado	3,640	+70
JAL	10,700	+800
Jusco	1,160	...
Kajima	740	+40
Kao Soap	1,390	+60
Kawasaki Steel	153	+10
Kirin	1,130	+30
Kobe Steel	189	+12
Komatsu	470	+1
Konishiroku	668	+7
Kubota	345	...
Kumagai	820	—7
Kyocera	4,200	+100
Marubeni	336	+4
Marui	2,130	+130
Mazda Motors	378	+1
Meiji Seika	636	—7
MEI	1,330	+40
M'bishi Bank	1,600	—500
M'bishi Chem	648	—54
M'bishi Corp	665	+52
M'bishi Elect	344	+9
M'bishi Estate	2,010	+60

JAPAN (continued)

Mar 26	Price Yen	+ or —
MHI	488	+38
Mitsui Bank	1,110	...
Mitsui	448	—6
Mitsui Estate	1,670	+80
Mitsui Toatsu	252	+10
Mitsukoshi	953	+100
NGK Insulators	1,000	...
Nikko Sec	950	+56
Nippon Denso	1,190	—10
Nippon Elect	1,250	+20
Nippon Express	950	+52
Nippon Gakki	1,350	—20
Nippon Kogaku	1,040	—10
Nippon Kokan	138	+4
Nippon Oil	836	—13
Nippon Seiko	460	+3
Nippon Shimpan	1,200	+50
Nippon Steel	169	+4
Nippon Suisan	387	+7
Nippon Yusen	435	+61
Nissan Motor	538	+6
Nisshin Flour	650	+5
Nomura	1,760	+100
Olympus	986	+6
Onoda Cement	388	+12
Orient Finance	1,120	—60
Orient Leasing	3,600	+10
Pioneer	1,940	+90
Ricoh	879	+9
Sankyo	1,310	...
Sanwa Bank	1,410	—20
Sanyo Elect	405	+10
Sapporo	904	+24
Sekisui Prefab	1,030	+30
Seven-Eleven	6,660	+20
Sharp	840	+5
Shimizu Constn	500	+15
Shionogi	980	+29
Shiseido	1,710	...
Showa Denko	282	+21
Sony	3,680	+70
S'tomo Bank	1,950	—20
S'tomo Chem	335	+40
S'tomo Corp.	850	+30
S'tomo Elect.	949	+23
S'tomo Metal	146	+2
Taise Corp.	433	+10
Taisho Marine	780	+17
Taiyo Kobe Bank	746	—4
Takeda	1,350	+30
TDK	3,790	+50
Teijin	530	+30
Tca. Nenryo	1,370	—70
Tokai Bank	1,030	+30
Tokio Marine	1,390	+80
Tokyo Elect Pwr	3,830	+70
Tokyo Gas	407	+14
Tokyu Corp.	926	+56
Toppan Print	1,490	—30
Toray	615	+4p
Toshiba Elect	385	+15
Toyo Seikan	1,920	...
Toyota Motor	1,150	—30
UBE Inds	265	+20
Victor	2,130	+70
Yamaha	650	+20
Yamaichi Sec	916	+23
Y'manouchiPhm	3,910	+20
Yamazaki	1,150	—50
Yasuda Fire	740	...

SINGAPORE

Mar. 26	Price $	+ or —
Boustead Hldgs.	0.88	—0.01
Cold Storage	2.59	+0.14
DBS	4.66	+0.14
Genting	3.90	—0.02
Haw Par. Bros.	1.79	—0.01
Hong Leong Fin.	1.90	—0.02
Inchcape Bhd	1.84	+0.05
Keppel Shipyard	0.68	—0.05
Malay Banking	4.00	+0.14
Malay Utd. Ind.	1.28	...
Multi Purpose	0.45	...
OCBC	6.15	...
OUB	2.28	+0.04
Public Bank	0.96	+0.05
Sime Darby	1.28	...
Singapore Air	6.70	...
Singapore Press	5.95	+0.10
Straits Trdg.	2.01	—0.02
T.t Lee Bk	2.00	...
UOB	3.08	+0.04

SOUTH AFRICA

Mar. 26	Price Rand	+ or —
Abercom	1.9	—0.5
AE&CI	11.4	—0.25
Allied Tech	65	...
Anglo Am. Coal	44	—0.5
Anglo Am. Corp	45.25	—0.75
Anglo Am. Gold	240	—7
Barclays Bank	19.75	—0.25
Barlow Rand	15.8	—0.55
Buffels	77.75	—1.75
CNA Gallo	2.60	...
Currie Finance	5	—0.05
De Beers	23.8	—0.7
Driefontein	54.75	—1
F.S.Cons.	36.5	—0.25
Gold Fields S.A.	41	—1.75
Highveld Steel	6.1	...
Malcor	9.7	+0.05
Nedbank	6.45	—0.15
OK Bazaars	14.0	...
Rembrandt	51.5	...
Rust Plat	35.75	—0.25
Safren	16.5	—0.25
Sage Hldgs	11.4	...
SA Brews	9.9	—0.35
Smith (CG)	30.25xd	...
Tongaat Huletts	8.4	...
Unisec	6.60	...

Indices

NEW YORK—DOW JONES

	March 26	March 25	March 24	March 21	March 20	March 19	1985/86 High	1985/86 Low	Since Compilation High	Since Compilation Low
Industrials	1,810.70	1,778.50	1,782.93	1,768.56	1,804.24	1,787.95	1804.24 (20/3/86)	1184.96 (4/1/85)	1804.24 (20/3/86)	41.22 (2/7/32)
Transport	816.24	803.61	809.74	804.22	812.87	805.57	804.10 (14/3/86)	553.03 (4/1/85)	804.10 (14/3/86)	12.32 (8/7/32)
Utilities	188.37	187.73	186.76	184.60	184.86	185.01	186.65 (14/3/86)	146.54 (4/1/85)	186.65 (14/3/86)	10.5 (28/4/42)
Trading vol	-	129m	144.12	199m	148m	150m	—	—	—	—

	March 21	March 14	March 7	Year Ago (Approx)
Ind Div Yield %	3.85	3.60	3.77	4.22

STANDARD AND POORS

	March 26	March 25	March 24	March 21	March 20	March 19	1985/86 High	1985/86 Low	Since Compilation High	Since Compilation Low
Industrials	262.26	259.59	288.18	258.83	261.61	260.39	261.61 (20/3/86)	128.24 (4/1/85)	261.61 (20/3/85)	3.52 (30/6/32)
Composite	237.38	234.72	235.33	233.34	236.54	235.60	236.55 (14/3/86)	163.68 (4/1/85)	236.55 (14/3/56)	4.40 (1/6/32)

	March 18	Feb 19	Feb 12	Year Ago (Approx)
Ind div yield %	3.08	3.30	3.35	3.88
Ind. P/E Ratio	16.71	15.36	15.12	11.11
Long Gov Bond Yield	8.01	8.86	9.13	11.84

N.Y.S.E. ALL COMMON

March 26	March 25	March 24	March 21	1985 High	1985 Low
136.78	135.22	135.54	134.88	136.17 (14/3/86)	94.68 (4/1/85)

RISES AND FALLS

	March 25	March 24	March 21
Issues traded	2,025	2,076	2,044
Rises	666	731	1,012
Falls	973	1,007	698
Unchanged	386	338	334

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day
Westn Air	5,525,800	12⅞	+1¼
Navistar	2,216,200	10⅛	+½
MFRS Han	1,824,400	55	+1
ATT	1,817,300	22¼	+⅛
East Kodak	1,720,400	63¼	+1⅝
Hir-Wal	1,598,100	24⅞	+1⅝
Ashland OB	1,321,607	54¼	+2⅞
Mid-59 UTL B	1,251,700	13⅞	+⅜
Macy	1,167,400	84	—⅜
IBM	1,130,900	147⅞	—⅝

Advances 1,011 Declines 686

TORONTO

	March 26	March 25	March 24	March 21	1985/86 High	1985/86 Low
Metals & Minls.	2,353.28	2,375.8	2,432.6	2,442.85	2,442.85 (21/3/86)	1740.82 (31/10/85)
Composite	3,024.30	3,012.8	3,041.3	3,055.3	3,055.3 (21/3/86)	2348.5 (8/1/85)
MONTREAL Portfolio	1,565.62	1,558.84	1,581.79	1,583.36	1,583.36 (21/3/86)	1,208.49 (4/1/85)

* Indicates pre-close figure

	Mar. 26	Mar. 25	Mar. 24	Mar. 21	1986 High	1986 Low
AUSTRALIA All Ord. (1/1/80)	1195.7	1168.8	1155.6	1158.7	1168.8 (25/3)	1010.8 (2/1)
Metals & Minls. (1/1/80)	567.0	597.7	602.0	572.3	602.0 (24/3)	482.5 (2/1)
AUSTRIA Credit Bk Aktien (2/1/62)	115.09	115.58	114.88	114.95	128.82 (15/1)	110.12 (5/3)
BELGIAN Brussels SE (1/1/80)	3468.05	3451.04	3447.65	3466.7	3488.05 (26/3)	2768.81 (15/1)
DENMARK Copenhagen SE (3/1/83)	(u)	242.76	241.81	240.60	242.76 (25/3)	214.37 (21/1)
FRANCE CAC General (31/12/82)	(u)	353.4	346.3	339.5	353.4 (25/3)	267.8 (2/1)
Ind Tendance (31/12/85)	(u)	138.5	154.4	132.6	138.5 (25/3)	101.6 (2/1)
GERMANY FAZ Aktien (31/12/58)	679.99	675.66	674.66	678.54	716.76 (15/1)	618.54 (27/2)
Commerzbank (1/12/53)	2090.2	2048.2	2043.7	2053.3	2161.8 (15/1)	1885.6 (27/2)
HONG KONG Hang Seng Bank (31/7/64)	1618.60	1626.71	1655.23	1611.75	1826.84 (8/1)	1558.84 (19/3)
ITALY Banca Comm Ital. (1972)	668.85	653.56	671.78	674.38	674.38 (21/3)	454.67 (24/1)
JAPAN** Nikkei (16/5/49)	15058.7	14826.87	14875.2	(c)	15059.7 (26/3)	12881.5 (21/1)
Tokyo SE New (4/1/68)	1198.56	1188.06	1192.52	(c)	1198.56 (26/3)	1025.85 (21/1)
NETHERLANDS ANP.CBS General (1970)	261.3	260.4	262.9	263.5	267.0 (8/1)	240.4 (5/3)
ANP.CBS Indust (1970)	248.8	248.6	250.9	251.8	256.3 (17/1)	234.0 (5/3)
NORWAY Oslo SE (4/1/83)	356.51	354.82	354.71	352.85	402.91 (16/1)	341.33 (11/3)
SINGAPORE Straits Times (30/12/66)	607.76	600.68	585.98	582.35	644.89 (8/1)	568.66 (19/3)
SOUTH AFRICA JSE Gold (28/9/78)	—	1290.3	1295.7	1289.9	1307.9 (27/1)	1169.7 (18/2)
JSE Indust (28/9/78)	—	1183.9	1189.6	1200.6	1205.1 (20/3)	1069.3 (2/1)
SPAIN Madrid SE (30/12/85)	158.53	154.89	152.81	156.06	158.53 (26/3)	100.85 (6/1)
SWEDEN Jacobson & P (31/12/56)	2064.73	2075.44	2036.70	2002.22	2075.44 (25/3)	1729.57 (29/1)
SWITZERLAND SwissBankCpn (31/12/58)	584.1	581.0	581.9	581.8	625.5 (8/1)	554.7 (28/2)
WORLD M.S. Capital Intl. (1/1/70)	—	298.2	301.7	301.2	302.4 (20/3)	249.6 (23/1)

** Saturday March 22: Japan Nikkei 15,013.19. TSE 1,191.67

Base value of all indices are 100 except JSE Gold—255.7. JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON Chief price changes (in pence unless otherwise indicated)

RISES			
Tr 10 Cnv '90	£102¹⁄₁₆	+	½
Ex 12 '13/17	£131⅜	+	1⅞
Tr 2½ IL '13	£ 84⅝	+	⅝
Bridon	163	+	13
Brit Car Auction	135	+	10
Comb Engl Strs	245	+	28
DRG	306	+	12
Fisons	575	+	35
Ford (Martin)	99	+	5
Hillards	207	+	17
Kenning Motor	206	+	13
Lonrho	295	+	12
Lowe Howard-Sp	418	+	30
Lucas Inds	651	+	38
Matthews (B)	700	+	40
NatWest Bank	910	+	25
STC	132	+	8
Sangers Photo	103	+	8
Stag Furnit	118	+	15
Standard Chart	573	+	30
Stock Conv	615	+	30
Tarmac	480	+	6
Trade Indemn	535	+	110
Turner & Newall	212	+	14
FALLS			
Babcock Intl.	196	—	17
Bridge Oil	67	—	11
Central Norse	433	—	50
Emperor Mines	182	—	20
Rohan Group	140	—	12
Tricentrol	72	—	11

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued from Page 43

Stock	Sales (Hnds)	High	Low	Last	Chng
PetrlM	232	5½	5⅜	5½	+ ¼
[illegible]					
Softech	99	10¼	9¾	10	— ¼
SoftwA	545	19⅛	18¼	18½	— ⅝
SonocPs .68a	23	34½	34	34¼	— ¼
[illegible]					
TicmA	1737	49	48¾	49	+ ¼
TelPlus	3424	8⅝	7⅞	8⅛	+ ¼
Telecrd .36	240	37	36⅝	37	+ ¼
[illegible]					
ValNtl 1.32	265	45	44¾	45	+ ¼
ValLn .40	15	25¼	25¼	25¼	
Vanzetl	1	4¼	4¼	4¼	— ⅛
Ventrex	852	6⅞	6¼	6⅞	
[illegible]					

WE REGRET that this listing is incomplete due to computer problems.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24	10⅝	AAR	s		22	110	23¼	22¾	23¼	+⅛
36	17¼	AFG			16	170	34¾	33½	33⅞	-1¼
25⅜	10¼	AGS			16	168	22¾	22	22½	-¼
15	9⅞	AMCA				13	14	14	14	+⅛
53¾	37½	AMR			9	6016	u56⅞	54¾	56	+2¼
25¾	18⅝	AMR	pf2.18	8.5		8	25⅝	25½	25½	+⅛
25¾	23¼	ANR	pf 2.67	11.		2	25½	25	25	
12½	7⅝	APL			7	13	11⅝	11⅜	11⅜	-¼
16¾	10⅜	ARX			13	26	15⅛	14⅞	15	
55⅝	32¾	ASA	2a	5.4		445	38⅛	37⅛	37¼	-⅞
19⅜	10½	AVX		2.0		162	15⅝	15⅛	15⅝	+⅜
29⅞	21⅛	AZP	2.72	9.1	8	1729	29⅞	29¼	29⅞	+⅝
81¾	49½	AbtLab	1.68	2.0	22	2091	u84¼	81½	83¾	+2¼
31⅞	19⅝	AccoWd	.50	1.7	21	223	29⅞	29½	29½	-¼
24¾	10	AcmeC	.40	3.0	19	749	13⅜	12⅞	13⅜	+⅝
9½	7	AcmeE	.32b	3.9	15	13	8¼	8¼	8¼	
19¾	16⅛	AdaEx	1.90e	10.		203	19⅜	18⅞	19	+¼
28½	14	AdmMl	.40	1.4	12	17	27¾	27⅝	27¾	+⅛
20⅞	8¾	AdvSys	.36t	7.7	16	475	18⅛	16⅞	17⅝	-⅜
34	22⅛	AMD				2479	30⅛	29½	29½	-⅝
18⅝	15¼	Adob	pf 2.40	13.		5	18⅝	18½	18⅝	+¼
17¼	8⅛	Advest	.12a	.7	15	496	16⅝	15⅞	16¼	+¼
66	39⅛	AetnLf	2.64	4.1	17	4906	64¾	62⅞	64½	+1⅜
57½	52⅛	AetL	pf4.97e	9.4		1090	52⅞	52⅝	52⅝	-⅛
68¼	29	Ahmns	1.38	2.1	8	3124	65⅝	62	64¾	+3
4¾	2½	Aileen			85	137	4¼	4⅛	4¼	+⅛
82⅝	46⅞	AirPrd	1.48	1.8	17	1174	81⅜	80⅝	80⅝	-¾
26⅛	17½	AirbFrt	.60	2.3	19	317	u26⅜	25⅞	26⅛	+½
2⅛	⅜	AiMoan	.50c			70	½	15-32	½	+1-32
10¼	7	AlaP	dpf.87	9.1		98	9⅝	9½	9⅝	+⅛
103¼	70¼	AlaP	pf 9	9.2		z4160	98¼	97¾	98¼	+¾
103¾	74½	AlaP	pf 9.44	9.5		z740	99¼	99	99	-¼
87	65	AlaP	pf 8.28	9.7		z100	85	85	85	
26⅝	15¼	AlskAir	.16	.8	10	621	21¼	20⅞	21⅛	-¼
31¾	9	Albrto	s .28	.9	31	225	30	29⅝	30	+¼
39	26⅞	Albtsns	.84	2.2	15	898	39	37⅝	38¼	-¾
34⅝	22¾	Alcan	.80	2.5		3113	33⅜	32½	32⅝	-¼
44⅞	31½	AlcoStd	1.24	2.8	20	186	44⅞	44⅝	44¾	+⅛
38	26	AlexAlx	1	2.8	30	446	35⅝	35	35⅝	+⅜
43	21⅝	Alexdr			44	48	38½	37¾	37⅞	-⅜
101	75	AllgCp	1.54t	1.5	27	26	99⅞	99½	99½	-¼
28¾	16½	AlgInt	.35j	1.4		501	24⅝	23	24¼	+1¼
20¾	15⅛	AlgIn	pf2.19	11.		6	19¼	19⅛	19⅛	-⅛
98	78	Algl	pfC11.25	13.		4	88½	88¼	88½	+¾
39⅛	28⅛	AllgPw	2.80	7.3	11	1170	38½	37⅝	38½	+⅝
26¾	14⅜	AllenG	s .56	2.1	14	485	26¼	25½	26¼	+⅜
41½	16½	AlldPd			17	80	40	38½	39¾	+¾
54½	42	AldSgnl	1.80	3.5		4426	51⅞	51⅛	51¾	+⅝
66	58¾	AldS	pfC6.74	10		90	65	64⅜	64⅜	-⅜
116½	103½	AldS	pfD 12	11.		13	111⅜	111⅜	111⅜	-⅛

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
13⅜	9¼	PhilE	pf1.41	12.		159	12	11¾	11¾	-¼
12⅝	9	PhilE	pf1.33	11		80	11⅝	11¼	11⅝	+¼
73	32	PhilE	pf7.85	11.		z550	70⅞	70	70	
12⅝	8¾	PhilE	pf1.28	12.		103	11½	10⅞	11⅛	-¼
130	114½	Phil	pf 17.13	14.		z840	125	125	125	
117½	104	PhilE	pf15.25	13.		z190	114	114	114	
88	63	PhilE	pf9.50	11.		z550	84	83	84	+1
79	53½	PhilE	pf7.80	11.		z520	71½	70½	71½	
22¼	18¼	PhilSub	1.32	6.0	13	34	22	21¾	22	+⅛
126½	72	PhilMr	4.60	3.9	11	5345	119	115¾	118½	-½
63½	54½	PhilM	wi			325	60	58½	59⅞	-⅛
36¼	18⅜	Philpln	.60	1.8	17	138	33	32½	33	+¼
87	47½	Phlln	pf 1	1.3		1	80	80	80	-3

Continued on Page 43

NYSE COMPOSITE CLOSING PRICES

Continued from Page 42

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19⅝	12⅝	Seagul			14	82	16⅛	15⅝	16	+⅜
42¼	22½	SealAir	.44	1.1	20	315	39⅝	37½	39	+1½
31¼	22⅝	SealPw	1	3.5	12	236	28½	28	28½	+¼
48	31¾	Sears	1.76	3.6	14	7885	u48¾	47¼	48½	+1½
107¾	102⅞	Sears pf8.65e		8.3		10	104	104	104	−½
39⅛	24⅞	SecPac	1.34	3.5	9	1861	38¼	37½	38¼	+½
35	20¼	SvcCp s	.32	1.0	20	1378	31¼	30½	30⅞	−¼
16⅝	3⅝	SvcRes				200	8¾	8½	8⅝	−⅛
19⅝	11¾	Shaklee	.72	3.6	16	3601	u19¾	19	19¾	+⅝
38¾	18⅝	Shawin	.60	1.7	13	232	36¼	34⅞	35¾	−¼
48	34½	ShellT	2.52e	5.5	8	344	45⅝	44⅞	45⅝	+1½
45⅝	21	ShelGlo	.90	2.0	11	2378	45½	45⅛	45¼	−⅛
165¾	93⅝	UniNV	5.66e	3.6	13	478	156	153¾	155½	−1½
50¼	33⅝	UCamp	1.64	3.4	25	2258	49	48¼	48½	
21⅛	7¼	UCarb s				14753	u21¼	20¾	21⅛	+⅜
42	37½	UnCrb rt				1988	37¾	d37⅜	37½	
12	5	UnionC				88	11½	10⅞	10⅞	−⅛
26½	16¼	UnElec	1.84	7.5	9	908	24¾	24⅝	24⅝	+⅛
36	27	UnEl pf3.50		10.		z105086	35	35	35	+¾
46⅛	29½	UnEl pf 4		8.8		z270	45½	45¼	45½	+¾
47⅞	33¾	UnEl pf 4.50		9.4		z280	u47⅝	47½	47⅝	+½
34¼	29⅞	UnEl pfM 4		12.		52	33½	33⅛	33¼	+⅛
90¼	59	UEl pfL 8		9.0		z40	88½	88½	88½	−1¾
4½	2⅝	Wurltzr				26	4	3⅞	4	+⅛
17½	10⅝	WyleLb	.32	2.0	68	49	15⅞	15¾	15¾	
21½	15	Wynns	.60	3.3		55	18⅛	17¾	18⅛	+⅛

X Y Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
72¼	42⅛	Xerox	3	4.4	15	3029	68¼	67	68	+1
57⅞	49⅞	Xerox pf5.45		9.6		169	57	56½	57	+½
37	26	ZaleCp	1.32	3.9	13	x213	34¾	34¼	34¼	−¾
15½	3½	Zapata	.08j		30	623	4¼	4	4¼	+⅛
73¼	40¼	Zayre s	.49	.7	23	787	u73½	72⅝	73⅛	+¾
26¼	16¼	ZenithE				1704	24⅞	24⅝	24⅝	+¼
36	11⅝	ZenLbs	.10i	.3	23	1589	33⅞	31⅝	33⅝	+1½
22⅝	13¾	Zero s				100	20¼	20	20¼	−⅛
45¾	26¾	Zurnin	1.32	3.1	15	202	42¾	42¼	42¾	+¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER *Nasdaq national market, closing prices*

Continued on Page 41

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Late surge leads way to record

OPTIMISM returned to US financial markets yesterday in the absence of further developments in the US–Libya clash off the Gulf of Sirte, *writes Terry Byland in Wall Street.*

Responding to a strong bond market, the Dow average bounded through the 1,800 mark to more than 30 points higher at a new peak.

The stock market surged ahead after a quiet start, driven ahead by gains of a full point in bonds. Optimism over inflation and interest rates was spurred on by comments from Mr Albert Wojnilower, of First Boston.

The Dow Jones industrial average ended a net 32.21 points up at a new peak of 1,810.70, just under the day's best. NYSE turnover jumped to 161.5m shares.

Weakness in the dollar brought powerful gains in some overseas earning stocks and softness in IBM was brushed aside by the technology sector. Motor stocks continued to move up despite falling car sales.

Oil-related stocks showed diverging responses to the Middle East clash, which has been balanced in stock market terms by the break-up of the Opec conference and a fall in crude oil futures on the New York Mercantile Exchange. Transport stocks rebounded, but so did stocks in the major oil companies.

Optimism over inflation was again stimulated by this week's news of a fall in the February consumer price index. Yields on 30-year bonds dipped to 7.83 per cent, spurring gains in bond futures which quickly flowed over into the stock index futures and then into the stock market itself.

Among dollar-orientated stocks, Merck, the pharmaceutical leader which, like the rest of the industry, sells half its products in non-US markets, gained $6¾ to $167½. Abbot Laboratories gained $2½ at $83¾, and Bristol-Myers $1⅛ to $75⅛. Squibb made a strong recovery from Tuesday's weakness, backed by strong brokerage recommendation, which helped take the stock up $1⅞ to $93¼.

Eastman Kodak soared $2¼ to $63⅞ in heavy turnover after Donaldson, Lufkin, Jenrette, the Wall Street brokerage firm, recommended the stock for, among other reasons, the earnings benefit of a lower dollar.

The apparent failure of Opec's moves to stem the fall in oil prices brought widespread gains in airline stocks. Heading the NYSE actives list was Western Air, $⅝ up at $12½ on renewed rumours of a bid from Delta Airlines, which added $½ to $42⅛.

United gained $1⅛ to $58⅜, American $2½ to $56 and NorthWest Air regained $⅛ of its recent fall to stand at $52. Pan Am held steady at $8.

But oils staged a determined recovery from the weakness of recent sessions. At $56⅛, Exxon gained $1¼ to $56⅜, Atlantic Richfield added $1 to $51½, and Chevron $½ to $37⅜.

Texaco remained unchanged at $29¼ and Pennzoil jumped $1¾ to $57¼ as Wall Street awaited the outcome of talks between the two regarding the $11.1bn penalty settlement awarded against Texaco.

A speculative feature was Sun Chemical, up $4¼ at $49¼. Although the board knew of no reason for the gain.

But amid all this bullishness, IBM remained resolutely weak at $147⅝, down $⅝ in brisk trading. Significantly, the rest of the technology sector tried to shake off IBM's influence. Digital Equipment, number two to Big Blue in the data business, jumped $2¼ to $157⅛, while Honeywell, despite its recent profit warning, added $¾ to $71⅜.

Trading in CBS stock abated, the price easing $2 to $145 as Mr Marvin Davis, the Denver oilman, confirmed that the board of the TV network company had rejected his $3.7bn offer for the equity.

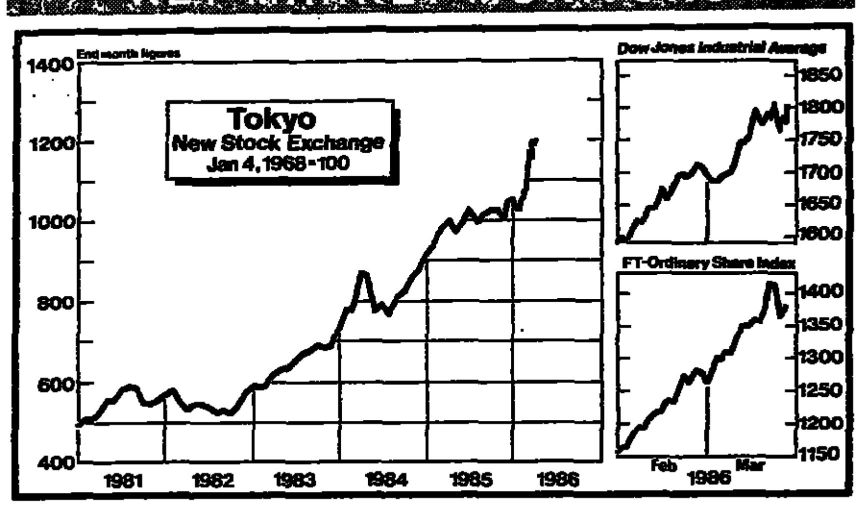
In the banking sector, interest has been stirred by takeover rumours which have also filtered into the more highly publicised industrial share areas. Manufacturers Hanover bounded $2⅝ to $55½, with heavy turnover boosted by two large share deals. However, the recently issued stock of Morgan Stanley was $1⅞ down at $70⅞.

The credit sector began to quieten as the Easter break came into view. The federal bond market will effectively close down between noon today and Monday morning.

Bonds settled with net gains of half a point, restoring yields to the lowest levels of the present cycle, and reaffirming the market's optimism regarding US inflation.

Short-term rates were mixed, as the Fed helped liquidity with overnight system repurchase arrangements, which contradicts its most recent policies but seemed to reflect nothing more than technical factors in the marketplace.

KEY MARKET MONITORS



STOCK MARKET INDICES

	March 26	Previous	Year ago
NEW YORK			
DJ Industrials	1,810.70	1,778.5	1,259.72
DJ Transport	816.24	803.61	595.66
DJ Utilities	189.37	187.73	150.18
S&P Composite	237.30	234.72	178.43
LONDON			
FT Ord	1,380.4	1,364.7	979.3
FT-SE 100	1,653.9	1,633.8	1,290.4
FT-A All-share	803.66	796.71	620.92
FT-A 500	883.03	875.58	677.82
FT Gold mines	291.9	305.4	502.1
FT-A Long gilt	9.14	9.26	10.59
TOKYO			
Nikkei	15,059.72	14,826.87	12,486.10
Tokyo SE	1,198.50	1,183.05	1,001.83
AUSTRALIA			
All Ord.	1,125.7	1,168.0	817.8
Metals & Mins.	567.0	596.7	505.5
AUSTRIA			
Credit Aktien	115.00	115.56	72.03
BELGIUM			
Belgian SE	3,468.05	3,451.04	2,271.06
CANADA			
Toronto			
Metals & Minls	2,353.2	2,375.0	2,039.0
Composite	3,024.3	3,012.0	2,594.6
Montreal			
Portfolio	1,565.62	1,556.84	128.84
DENMARK			
SE	n/a	241.61	179.83
FRANCE			
CAC Gen	n/a	323.5	209.4
Ind. Tendance	n/a	138.5	73.9
WEST GERMANY			
FAZ-Aktien	679.89	675.86	415.54
Commerzbank	2,060.2	2,048.2	1,204.1
HONG KONG			
Hang Seng	1,618.80	1,626.71	1,344.13
ITALY			
Banca Comm.	668.85	653.56	277.10
NETHERLANDS			
ANP-CBS Gen	261.3	260.4	203.9
ANP-CBS Ind	248.8	248.6	165.2
NORWAY			
Oslo SE	356.51	354.62	303.21
SINGAPORE			
Straits Times	607.76	600.68	825.97
SOUTH AFRICA			
JSE Golds	–	1,290.3	1,008.7
JSE Industrials	–	1,183.9	879.7
SPAIN			
Madrid SE	156.53	154.89	82.65
SWEDEN			
J & P	2,064.73	2,075.44	1,403.65
SWITZERLAND			
Swiss Bank Ind	584.1	581.0	424.4
WORLD	Mar 25	Prev	Year ago
MS Capital Int'l	298.2	301.7	199.7

COMMODITIES

(London)	March 26	Prev
Silver (spot fixing)	381.10p	390.75p
Copper (cash)	£982.50	£998.00
Coffee (Mar)	£2,370.00	£2,335.00
Oil (Brent blend)	$12.30	$12.45

GOLD (per ounce)

	March 26	Prev
London	$345.25	$347.375
Zürich	$344.45	$351.75
Paris (fixing)	$345.11	$353.18
Luxembourg	$344.75	$352.50
New York (April)	$344.70	$344.00

CURRENCIES

	US DOLLAR		STERLING	
(London)	March 26	Previous	March 26	Previous
$	–	–	1.475	1.462
DM	2.33	2.3385	3.4375	3.4175
Yen	179.8	180.20	265.25	263.5
FFr	7.1675	7.1725	10.5725	10.4875
SFr	1.955	1.959	2.8825	2.865
Guilder	2.6315	2.641	3.8825	3.86
Lira	1,582.5	1,589.0	2,334.25	2,323.0
BFr	47.75	47.85	70.45	69.95
C$	1.402	1.403	2.0685	2.049

INTEREST RATES

	March 26	Prev
Euro-currencies (3-month offered rate)		
£	11½	11⅝
SFr	4¼₆	4³⁄₁₆
DM	4⅝	4¹¹⁄₁₆
FFr	13	13
FT London Interbank fixing (offered rate)		
3-month US$	7⁵⁄₁₆	7⁵⁄₁₆
6-month US$	7½	7½
US Fed Funds	7⅝*	7⁹⁄₁₆
US 3-month CDs	7.10*	7.15
US 3-month T-bills	6.405*	6.355

US BONDS

Treasury		March 26* Price	Yield	Prev Price	Yield
7⅛	1988	100⅜₂	7.108	100	7.125
8¾	1993	106⅝₂	7.578	106⅜₂	7.60
8⅞	1996	108¹²⁄₃₂	7.65	108	7.69
9¼	2016	116⅝₂	7.84	115⅝₂	7.90

Treasury Index

Maturity (years)	March 26* Return index	Day's change	Yield	Day's change
1–30	148.45	+0.02	7.64	0
1–10	141.52	+0.03	7.46	0
1– 3	133.34	+0.03	7.24	–0.01
3– 5	143.60	–0.03	7.56	+0.01
15–30	173.26	0	8.25	0

Source: Merrill Lynch

Corporate	March 26* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	101¾	9.85	101¾	9.85
3⅞ July 1990	89¾	6.70	89½	6.75
8¾ May 2000	98	9.00	97½	9.05
Xerox				
10⅜ Mar 1993	108⅜	8.15	108	8.21
Diamond Shamrock				
10⅜ May 1993	101⅞	10.20	101.21	10.25
Federated Dept Stores				
10⅜ May 2013	110	9.58	109⅞	9.60
Abbot Lab				
11.80 Feb 2013	111	10.56	114½	10.20
Alcoa				
12¼ Dec 2012	111	10.96	113¼	10.53

Source: Salomon Brothers

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
US Treasury Bonds (CBT) 8% 32nds of 100%				
June	98–03	98–09	97–19	97–13
US Treasury Bills (IMM) $1m points of 100%				
June	93.88	93.90	93.87	93.89
Certificates of Deposit (IMM) $1m points of 100%				
June	93.11	93.11	93.10	93.11
LONDON				
Three-month Eurodollar $1m points of 100%				
June	92.81	92.81	92.79	92.81
20-year Notional Gilt £50,000 32nds of 100%				
June	125–03	125–05	123–10	122–21

* Latest available figures

TOKYO

Fresh peaks as bargains are hunted

STRONG buying, reflecting hopes that institutional investors would return to full participation from April, drove the Nikkei average to another record high in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

Tokio Marine and Fire Insurance, Mitsubishi Estate, Nippon Express and other hidden-asset stocks were bought actively. Buying interest spread to issues related to the government investment and loan programme and domestic consumption.

The Nikkei average picked up 232.85 to 15,059.72, past the March 22 peak of 15,013.19. Turnover rose from 640.13m to 769.11m shares. Advances led declines by 490 to 391, with 103 issues unchanged.

Buying interest centred on low-priced, big-capital issues which institutional investors are expected to seek in large lots from April.

Nippon Yusen, a major shipping company, climbed Y61 to Y435 with the day's heaviest trading volume of 37.83m shares on investor appreciation of its large building sites in urban areas. Nippon Express surged Y52 to Y950, Toray Y46 to Y615 and Mitsubishi Estate Y60 to Y2,010. Tokio Marine and Fire Insurance soared Y80 to Y1,390 on the strength of its securities and property holdings worth more than Y1,000bn.

Sumitomo Chemical, which has not kept pace with other chemical stocks which have benefited from lower crude oil prices and the yen's appreciation against the dollar, was second busiest with 28.36m shares traded. It firmed Y40 to Y335.

Mitsubishi Heavy Industries, third busiest with 25.43m shares traded, rose Y38 to Y428 and Nippon Steel Y4 to Y169.

Electricity and gas utilities also gained ground, with Tokyo Electric Power adding Y70 to Y3,830 and Tokyo Gas Y14 to Y407.

Pharmaceuticals fell after reports that Genentech, a California-based biotechnology company, had urged seven Japanese companies to stop development of tissue plasminogen activator (TPA), a new drug used against thrombosis. Mitsubishi Chemical Industries and Kyowa Hakko, both of which have introduced the US company's technology, declined Y54 to Y648 and Y170 to Y1,700, respectively.

Big securities firms also strengthened. Nomura rose Y100 to Y1,760 and Daiwa Y80 to Y1,150.

Bonds steadied, with the yield on the benchmark 6.2 per cent government bond due in July 1995 declining from 4.690 to 4.660 per cent.

Inter-broker trading was active amid alternating optimism and pessimism. Some market participants expressed confidence that the US-Libya conflict would not escalate further, while others were concerned that Japan's third discount rate cut this year would be delayed due to the dollar's rise above Y180.

SINGAPORE

LATE profit-taking was well absorbed in a Singapore boosted by bargain-hunting and short-covering. The Straits Times industrial index added 7.08 to close at 607.76.

Most active share of the session was UIC which closed unchanged at S$1.35.

Banks were steady to higher.

EUROPE

Jolly holiday mood brings back sparkle

VISIONS of upcoming Easter revelry buoyed sentiment across Europe and most bourses reflected the jolly holiday mood.

Sluggish trading did not inhibit **Frankfurt** where prices ended mostly firmer, assisted by the higher dollar which seems to have stabilised above DM 2.30.

As a result, car issues gained. BMW, bouncing back from earlier losses, took on DM 24 to DM 540, Daimler added DM 8.50 to DM 1,312.50 and VW put on 80 pfg to DM 583.50.

Porsche, which plans to increase prices in the US by about 15 per cent, rose DM 15 to DM 1,200.

Chemicals, again benefiting from Opec's output disarray, saw rises of DM 5.50 to DM 319 for BASF, DM 4.40 to DM 336 for Bayer and DM 3 to DM 312.50 for Hoechst.

Mexico's debt problems worried the banking sector, and Deutsche lost DM 1 to DM 811.50 while Commerzbank put on DM 3.80 to DM 316 and Dresdner 50 pfg to DM 434 ex-rights after a dividend rise.

Strong rises were evident among machinery makers which have been dull in recent sessions. GHH added DM 8.70 to DM 258.50 and KHD gained DM 7 to DM 310.

Bonds firmed by around 20 basis points in a quiet session and the Bundesbank sold DM 24.4m worth of domestic paper after selling DM 93.7m on Tuesday.

Bargains were picked up in **Amsterdam** pushing prices markedly higher.

Among internationals, Unilever added Fl 1 to Fl 410 and Akzo put on a similar amount to Fl 168.

Star performers, however, were chemicals group Gist-Brocades which leapt Fl 8 to Fl 273 and foods group Wessanen, up Fl 4 at Fl 246.80.

Profit-taking after recent strong gains left **Paris** mixed as advances almost equalled declines at 78 to 81.

Electrical issues stood out among stocks to gain as Alcatel put on FFr 120 to FFr 2,240, Matra FFr 41 to FFr 1,880 and Moulinex FFr 1.55 to FFr 86.50. Selling pressure pushed Thomson-CSF FFr 20 lower to FFr 1,079.

Construction issue Lafarge Coppée continued to gain, adding FFr 50 to FFr 1,340 after a FFr 80 rise in the previous session.

Printemps, the department store group which will open its first store in the US in March 1987, faded FFr 1 to FFr 630.

Pharmaceutical group, Roussel-Uclaf rose FFr 19 to FFr 1,499 and announced it would sell its sunglasses maker to a US company.

Zurich firmed, despite Switzerland's decision to freeze assets held by former Filipino president Ferdinand Marcos and the implications this may have on the country's image as a liberal financial centre.

Banks posted small gains. Bank Leu added SFr 25 to SFr 4,100, Swiss Bank SFr 3 to SFr 583 while Crédit Suisse was steady at SFr 3,740.

Bonds were steady with some selling evident in the foreign sector.

Brussels firmed as gains in Belgium's largest holding company pulled the market higher.

Société Générale de Belgique ended BFr 50 higher at BFr 3,020 on speculation that it may realise a substantial gain if it sells its stake in Genstar to Imasco.

Milan recovered almost all the ground lost on Tuesday, and gains were seen across the board. In the holding companies sector, Pirelli put on L350 to L5,970 after a court decision which may clear the way for its takeover by Buitoni, up L540 to L7,390.

Banks led **Madrid** higher with strong gains also seen among utilities.

The possibility of a strike by Sweden's white collar workers weighed on **Stockholm** and prices retreated after Tuesday's record session.

AUSTRALIA

PROFIT-TAKERS pulled Sydney down for one of its biggest single-session falls. The All Ordinaries index lost 42.3 to close at 1,125.7, depressed by lower oil, metal and gold prices and falls on Wall Street and London.

BHP lost further ground, slipping 30 cents to A$6.16. However, Bell Resources, expected to make a new bid for BHP, added 5 cents to A$4.90.

SOUTH AFRICA

GOLDS fell on profit-taking in Johannesburg partly as a result of the lower bullion price.

Driefontein lost R1 to R54.75, Gold Fields R1.75 to R41, Free State Consolidated 25 cents to R36.50 and Buffelsfontein R1.75 to R77.75.

LONDON

Confidence revived by foreigners

A REVIVAL of US support restored London's confidence yesterday, sending the *FT Ordinary index* up 15.7 to 1,380.4 at the close.

Among companies announcing results, BAT Industries was steady at 390p in active trading on higher preliminary profits. Lucas Industries jumped 38p to 651p on figures up on market expectations, but Woolworth slipped 12p to 610p after announcing a turnaround to profit in its retail stores.

Elsewhere among actives, Burton added 12p to 324p, Fisons 35p to 575p, Gus "A" 28p to 965p, Lonrho 12p to 295p and Wellcome 10p to 222p.

Government bonds also responded well to reneued demand. Longer-dated gilts showed gains ranging to almost 2 points and index-linked issues recovered ⅝ in places.

Chief price changes, Page 41; Details, Page 40; Share information service, Page 38–39

HONG KONG

INTEREST rate worries sparked light selling pressure, taking Hong Kong lower. The Hang Seng index closed 7.91 down at 1,618.80.

Banks were generally lower to steady. East Asia lost 10 cents to HK$18.70, Hongkong and Shanghai 5 cents to HK$7.60 while Hang Seng was unchanged at HK$43.00.

Among utilities Hongkong Telephone and Hongkong Electric were both 5 cents down at HK$9.60 and HK$8.60 respectively, Hongkong and China Gas lost 10 cents to HK$12.70 and China Light was unchanged at HK$15.20.

CANADA

ACTIVE TRADING boosted oils and industrials in Toronto but left metals and mines weaker.

Among actives Hiram Walker Resources traded C$¾ up to C$33 after its board said it had rejected Gulf Canada's offer. Gulf Canada lost C$⅛ to C$16⅝.

Elsewhere Imperial Oil Class A added C$¼ to C$46½

In Montreal most sectors were largely unchanged.